Conservation Districts
of Manitoba

Districts de conservation
du Manitoba

Annual Report 2002-2003

Rapport annuel 2002-2003

Manitoba

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Districts de conservation du Manitoba

Annual Report 2002-2003

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Manitoba

104-00413/

MINISTER OF
INTERGOVERNMENTAL AFFAIRS

Room 301
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8
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August 27, 2003

The Honourable Peter Liba
Lieutenant Governor of Manitoba
Government House
200 Kennedy Street
Winnipeg MB R3C 1S4

Your Honour:

It is my pleasure to present to you The Annual Report of the Conservation Districts of Manitoba for the fiscal year ending March 31, 2003 together with the audited financial statements of the Districts for the same period.

Yours sincerely,

Rosann Wowchuk

Rosann Wowchuk
Minister

CONSERVATION DISTRICTS COMMISSION
Room 309, Legislative Building, 450 Broadway Avenue, Winnipeg, MB. R3C 0V8

August 27, 2003

Honourable Rosann Wowchuk
Minister of Intergovernmental Affairs
Room 301, Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

I am pleased to present to you the Annual Report of the Conservation Districts of Manitoba for the fiscal year ending March 31, 2003.

It describes various programs in support of our economic and environmental resources, and demonstrates the continuing provincial commitment to the concept of sustainability.

Yours sincerely,

Marie Elliott
Chairperson

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Conservation Districts Program

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Deputy Minister
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Manitoba Conservation

Andrew Horosko
Deputy Minister
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Conservation Districts Program

Foreword

The Conservation Districts Program operates under the authority of *The Conservation Districts Act*. The objectives of the Act are to provide for the conservation, control and prudent use of resources through the establishment of Conservation Districts and to protect the correlative rights of owners.

The Act provides for the creation of Conservation Districts (CDs) and requires the establishment of a Commission to oversee the activities of the Conservation Districts Boards. The Commission, in turn, reports to the Minister of Intergovernmental Affairs. The legislation also requires the preparation of an Annual Report, which will include: updates on the progress being made by each District in the implementation of their management plans; general remarks in respect to activities related to the establishment of new Districts; and the Auditor's Report for each District. The Manitoba Water Services Board is responsible for the day to day management of the Program.

The Province provides annual funding to assist local Conservation Districts Boards. The provincial grants cover up to 75% of the cost of District Programs. In addition, the Districts receive funding through municipal grants and levies and from local landowners. Other sources of funds come from agencies such as Ducks Unlimited Canada and Prairie Farm Rehabilitation Administration (PFRA), as well as grants from many other Governmental and non governmental agencies. Provincial funding (grants) for the CDs are provided by the Department of Intergovernmental Affairs. Other Provincial Departments, such as Conservation, Agriculture and Food, Heritage and Tourism also provide grants for specific projects.

Each Conservation District is required to prepare an integrated resource management plan. Through this process, each District is able to establish a long-term vision, set goals

Programme des Districts de conservation

Avant-propos

Le Programme des Districts de conservation existe en vertu de la *Loi sur les Districts de conservation*. La *Loi* a pour objet de prévoir la conservation, le contrôle et l'emploi judicieux des ressources par l'établissement des Districts de conservation, ainsi que de protéger les droits des propriétaires en ces matières.

La *Loi* prévoit la création de Districts de conservation et exige la mise sur pied d'une Commission chargée de superviser les activités des conseils des Districts de conservation. Cette Commission doit à son tour rendre des comptes au ministre des Affaires intergouvernementales. La *Loi* exige également la préparation d'un rapport annuel comprenant les éléments suivants : mises à jour concernant la mise en œuvre des plans de gestion dans chaque District; remarques générales sur les activités liées à la mise sur pied de nouveaux Districts; rapport du vérificateur provincial pour chaque District. La Commission des services d'approvisionnement en eau du Manitoba est responsable de la gestion quotidienne du Programme.

Pour aider les conseils des Districts de conservation, le gouvernement provincial accorde chaque année des subventions pouvant atteindre 75 % du coût des Programmes des Districts. Les Districts reçoivent un financement supplémentaire sous forme de subventions municipales et de redevances payées par les propriétaires fonciers de leur région. Les autres sources de financement comprennent les contributions d'organismes coopératifs tels que Canards illimités Canada et l'Administration du rétablissement agricole des prairies (ARAP), ainsi que des subventions accordées par de nombreux autres organismes publics et privés. Le financement provincial (les subventions) accordé aux Districts de conservation est versé par le ministère des Affaires intergouvernementales. D'autres ministères provinciaux, comme les ministères de la Conservation, de l'Agriculture et de and produce a 5-year Program and operating budget.

Program Expansions

The program consists of 16 CDs, which includes over 130 municipalities.

During 2002-03, the following CDs received requests to expand their boundaries:

- Lake of the Prairies from the Rural Municipalities (RMs) of Shell River and Park (North).
- Little Saskatchewan River from the RMs of Strathclair and Park (South).
- Pembina Valley from the RM of Stanley.
- Seine-Rat River from the RM of Ste. Anne.

l'Alimentation, et de la Culture, du Patrimoine et du Tourisme peuvent aussi verser des subventions pour des projets spéciaux.

Chaque District de conservation est tenu de préparer un plan de gestion des ressources. Cela lui permet d'établir une vision à long terme, de se fixer des objectifs et d'élaborer un Programme et un budget de fonctionnement sur cinq ans.

Expansion du Programme

Seize districts de conservation, regoupant plus de 130 municipalités, font partie du programme.

En 2002-2003, les districts de conservation suivants ont reçu des demandes leur enjoignant d'élargir leurs frontières :

- lac des Prairies : à partir des municipalités rurales de Shell River et de Park (nord);
- rivière Little Saskatchewan : à partir des municipalités rurales de Strathclair et de Park (sud);
- Vallée-de-la-Pembina : à partir de la municipalité rurale de Stanley;
- rivière Seine et rivière aux Rats : à partir de la municipalité rurale de Sainte-Anne.

Other Areas of Interest

During the year, a number of meetings were held with groups representing 25 municipalities in the Brokenhead, Interlake, Seine, Morris, Plum and Whitemouth Watersheds.

As environmental awareness gains momentum and governments, industry and non government organizations begin to promote, encourage and adopt the idea of sustainable development, the Districts will be recognized as leaders in sustainable resource management. Indeed, many resource interest groups now recognize CDs as leaders in integrated watershed based management and see them as ideal organizations through which to implement co-operative resource ventures.

Autres sujets d'intérêt

Pendant l'année, plusieurs réunions ont eu lieu avec des groupes qui représentaient 25 municipalités où se trouvent les bassins versants de la rivière Brokenhead, d'Entre-les-Lacs, de la rivière Seine, de la rivière Morris, de la rivière aux Prunes et de la rivière Whitemouth.

Étant donné que les préoccupations environnementales ne cessent de gagner du terrain et que les gouvernements, les entreprises et les organismes non gouvernementaux commencent à promouvoir, encourager et adopter l'idée du développement durable, les Districts joueront un rôle de leader dans la gestion durable des ressources. De nombreux groupes d'intérêts dans le secteur des ressources naturelles estiment que les Districts de conservation jouent un rôle de premier plan dans la gestion intégrée des bassins versants et ils les considèrent comme des organismes de choix pour mettre en œuvre des projets coopératifs de gestion des ressources.

Program Activities

In 2002-03, the CD Program expended $7.0M toward land and water stewardship programming. The program involves over 500 District and Sub-District Members, employing approximately 100 full time and part time employees.

With three levels of funding (Provincial, local and external), the following is a summary of activities and/or accomplishments for the fiscal year 2002-03:

	2001-02	2002-03
Forage Seeded	14,054 ha	19,381 ha
Drains Maintained	1,686 km	1,865 km
Grassed Waterways	35 km	15 projects
Gullies Repaired	15 projects	8 projects
Education Program	87 schools	105 schools
Crossings Repaired/Replaced	130 crossings	189 crossings
Trees Planted	63,632 trees	28,525 trees
Water Storage	50 projects	85 projects
Wells Sealed	261 projects	221 projects
Fisheries Projects	16 projects	20 projects
Wildlife/Habitat Projects	82 projects	74 projects
Watershed Plans	10	11
Stream/Creek Rehabilitation and Stabilization	36 projects	22 projects
Planned Grazing	2,114 ha	36 projects
Watering Systems	26 units	86 units
Livestock Crossings/Access Ramps	31 projects	30 projects
Recreation/Tourism	14 sites	7 projects
Conservation Tillage	2,139 ha	6,564 ha
Winter Cereals	1,327 ha	1,230 ha
Tours/Demonstrations/Extensions	39	93
Pasture Pipelines	-	29 km
Geographic Information System Service	-	6 projects
Custom Seeding	-	28 km
Manure Management	-	8 projects
Forage/Soil Testing	-	56 projects
Riparian Fencing	-	8 km

Activités du Programme

En 2002-03, le Programme des Districts de conservation a consacré 7,0 millions de dollars aux Programmes de gestion des eaux et d'aménagement des terres. Le Programme rassemble plus de 500 membres des Districts et des sous-Districts et emploie une centaine de personnes à temps plein et à temps partiel.

Voici un résumé des activités et réalisations accomplies au cours de l'exercice 2002-03 grâce aux trois niveaux de financement (provincial, local et externe) :

	2001-02	2002-03
• Plantation de graines fourragères	14 054 ha	19 381 ha
• Entretien des canaux de drainage	1,686 km	1 865 km
• Traçage de voies d'eau gazonnées	35 km	15 projets
• Restauration des ravines	15 projets	8 projets
• Programme éducatif	87 écoles	105 écoles
• Réparation et remplacement des voies de passage	130 voies de passage	189 voies de passage
• Plantation d'arbres	63 632 arbres	28 525 arbres
• Emmagasinement des eaux	50 projets	85 projets
• Imperméabilisation des puits	261 projets	221 projets
• Pisciculture	16 projets	20 projets
• Faune et habitat naturel	82 projets	74 projets
• Aménagement hydrographique	10	11
• Réhabilitation et stabilisation des ruisseaux	36 projets	22 projets
• Planification de pacages	2 114 ha	36 projets
• Systèmes d'arrosage	26 unités	86 unités
• Voies de passages et rampes d'accès pour le bétail	31 projets	30 projets
• Tourisme et loisirs	14 sites	7 projets
• Travail de conservation du sol	2 139 ha	6 564 ha
• Cultures céréalières d'hiver	1 327 ha	1 230 ha
• Tournées et expositions	39	93
• Réservoirs dans les pâturages	-	29 km
• Service d'un système d'information géographique	-	6 projets
• Semis à forfait	-	28 km
• Utilisation du fumier	-	8 projets
• Forage et étude de sols	-	56 projets
• Clôturage des rives	-	8 km

Conservation District Grants
Subventions aux Districts de conservation

Up to 75% of the costs of Conservation Districts Programs are funded by Provincial grants. The grants are provided in support of local District Programs such as drainage maintenance and rehabilitation, soil conservation, water storage, wildlife habitat, public education, administration and a variety of other resource conservation programs.

Les subventions provinciales couvrent jusqu'à 75 % du coût des Programmes des Districts de conservation. Ces subventions sont versées pour aider les Districts locaux à mettre en œuvre leurs Programmes, notamment le drainage, l'entretien et la réhabilitation, la préservation du sol, l'emmagasinement des eaux, la protection de l'habitat faunique, l'éducation du public et l'administration, ainsi que toute une série de programmes de conservation des ressources.

CONSERVATION DISTRICT GRANTS 2002-03
SUBVENTIONS AUX DISTRICTS DE CONSERVATION EN 2002-03

DISTRICTS/DISTRICTS	PROVINCIAL GRANTS	SUBVENTIONS PROVINCIALES
Alonsa/Alonsa	$240,000	240 000 $
Cooks Creek/Ruisseau Cooks	245,000	245 000 $
Intermountain/Intermountain	180,000	180 000 $
Kelsey/Kelsey	120,000	120 000 $
La Salle Redboine/ La Salle Redboine	200,000	200 000 $
Lake of the Prairies/Lac des Prairies	77,000	77 000 $
Little Saskatchewan River/ Rivière Little Saskatchewan	120,000	120 000 $
Mid Assiniboine River/ Partie médiane de la rivière Assiniboine	90,000	90 000 $
Pembina Valley/Vallée de la Pembina	270,000	270 000 $
Seine-Rat River//Rivières Seine et aux Rats	85,000	85 000 $
Tiger Hills/Tiger Hills	90,000	90 000 $
Turtle Mountain/Turtle Mountain	300,000	300 000 $
Turtle River/Rivière Turtle	400,000	400 000 $
Upper Assiniboine/Partie supérieure de la rivière Assiniboine	240,000	240 000 $
West Souris River/Ouest de la rivière Souris	200,000	200 000 $
Whitemud/Rivière Whitemud	690,000	690 000 $
TOTAL	$3,547,000	3 547 000 $

NOTE: - Please refer to the Audited Financial Statements in the appendices for details on local/external funding and total expenditures.

NOTA : Veuillez consulter les états financiers vérifiés en annexe pour des détails sur le financement local et externe et sur les dépenses totales.

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Alonsa Conservation District

Introduction

The Alonsa Conservation District (ACD), which is located along the western shores of Lake Manitoba, encompasses approximately 445,000 ha and lies within the Rural Municipalities of Alonsa and Lawrence. The District has been involved in Soil and Water Management Programs since its inception in 1978.

The landscape is a series of gentle undulations of ridges and sloughs. The major watersheds of Garrioch Creek, Sucker Creek, Hamlin Drain and Reedy Creek, in addition to several other waterways which drain into Lake Manitoba, Ebb & Flow Lake and Lonely Lake. Programs include water and soil management, as well as fisheries, wildlife, forestry, historical, educational and recreational projects.

ALONSA CONSERVATION DISTRICT
BOARD MEMBERS 2002-03

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#107 - Crane River/Hamlin Drain	Fred Taylor	Rorketon
#110 - Garrioch Creek	Danny North	Alonsa
#113 - Lonely Lake/Ebb & Flow	Eldon Campbell	Kinosota
#157 - Weiden Drain	Steve Sliworsky	Rorketon
#160 - Kinosota Ridge	Clifford Elke	Amaranth
Provincial Appointee and Chairperson	Edward Zdan	Alonsa

Summary

The District's programs included the National Soil and Water Conservation, Channel Maintenance, Crossing Repair and Replacement, Pickerel Spawning Project, Forage Seed (under the Soils Conservation Program), Forestry and Wildlife, Tree Planting Projects, Infrastructure/Crossing Repair, Educational Extension, development of aboriginal historic sites, maintenance of existing trails and projects, as well as educational activities. These programs reflect the Board's commitment to carry out its mandate of conserving, sustaining and preserving the diverse resources, which make the area unique, while keeping the local economy strong.

Funding support for the ACD is supplied by its main partner Manitoba Intergovernmental Affairs. Additional support is obtained from Member municipalities, a host of provincial and external partners and local producers, all with a common interest in sustaining the local environment.

TOTAL EXPENDITURE 2002-03

Activity		Expenditure
Water Management		$145,164
Crossing Repair		34,088
Well Capping Program		7,788
Soil Conservation		89,046
Wildlife		10,696
Fisheries		15,745
Public Relations and Education		22,177
Project Management		34,388
Depreciation		2,499
Alex Robertson Museum		12,414
Goods and Services Tax Refund		(3,862)
Infrastructure Reserve Fund		13,333
	TOTAL	$383,476

For further details see Auditor's Report, Appendix A.

Water Management

The District focussed its Water Management Program on the repair of existing drains, beaver damage control and several drain channel cleanouts. Extensive survey work was carried out in the northern portion of the District. A summer student completed a CD wide drain inventory including drain location, condition and cost estimate to bring up to standard. Activities include:

- Sustainable Development Water Quality Project Completion
- Beaver dam/debris removal
- Global Positioning System Unit Data information banking
- Geographic Information System (GIS) Drains information documentation
- Vegetation removal for over 100 km
- Drain maintenance at East Bay Drain
- Program projects planning and development
- Completion of the Water Management Plan
- Rockland Drain Cleanout
- Sellman Drain Cleanout
- Sealing and capping of five wells

Crossing Repair and Replacement

The regular repair and replacement of aging bridge and culvert crossings accounted for expenditures under this program. Most of the culvert replacement works occurred in the northern Sub-Districts. Projects included:

- Repairs to Smigelski/Moffat, Mellonville , Regan Wilkinson Crossings as well as Johnson

Crossing on Lonely Lake

- Projects development and planning
- GIS inventory of crossings completion
- Inventory
- Infrastructure Reserve $13,333

Wildlife/Fisheries

The District continued its role in the Fish Hatchery and Spawning Project, the second largest such project in the Province. Spin-off fisheries projects are now being carried out which will continue for several years.

- Pickerel Spawning Project with 36 million fry distributed in Lake Manitoba
- Initial stages of Westlake Fisheries Inventories Project
- Establishment of Committees and Board for Fisheries Inventories Project and hiring Consultant
- Bird Feeders Incentive Program
- Bird Box Building Project
- Riparian area protection and clean-up
- Alonsa School Wildlife Project

Recreation

While no monies are directly expended in this category, the maintenance of existing trails and projects such as Bluff Creek Nature Trail, Bluff Creek Church, Jackpine Ridge Wayside Park, Portia Marsh Interpretive Centre, Bacon Ridge Complex, Amaranth Marsh Project, McKay Park, Lady Slipper Viewing Site, Ceremonial Site and the Thunderbird Nest are all multi-disciplinary.

Public Education

Alonsa Conservation District celebrated its 25th Anniversary in 2003. The Board is active in promoting the District's natural attractions. Tours of the Portia Marsh Interpretive Center are conducted regularly and many casual visitors come to this site. Other sites to which tours and many casual visitors come include Bacon Ridge Complex, Bluff Creek Nature Trail, Lady Slipper Viewing Site and Jackpine Ridge Wayside Park. Of special interest to aboriginal groups is the Thunderbird Nest Site, Tobacco Rock Site and the aboriginal petroform called the Medicine Wheel, which lies within the Alonsa Prairie Farm Rehabilitation Administration (PFRA) Pasture. Signage at all these sites make them self-guiding and educational. Perhaps one of the most novel of these projects is the restoration of the Bluff Creek Church, which now forms part of the attraction of the Bluff Creek Nature Trail.

Public education activities included:

- Green Team and Career Placement Student Employment Programs
- Self guided educational signage for conservation trails
- Subscriptions and memberships to conservation magazines
- Trails maintenance and equipment repair

- Purchase of new District display board
- Tri-District Golf Tournament host
- Sponsorship for Conservation Farm Family, Youth Speaker, Mobile Planetarium and Graduation awards
- 25th Anniversary Banquet celebrated in Alonsa

Heritage

The District continued to support the Alex Robertson Museum and maintenance of Bluff Creek Church, a historical landmark. Program expenditures were covered by local funding or through external grants.

Soil/Forestry

The District continues to support and promote wise agricultural and forestry practices in an effort to conserve our natural resources for the future. The District initiated two new tree planting sites and continued to maintain trees at established planting sites.

- Tree Planting Projects at Rorketon Golf Course, Phase 11 of Amaranth Marsh and one in conjunction with Alonsa School
- Maintenance of established tree planting sites
- Water Retention Project - Amaranth Marsh
- Forage Incentive Project - 84 participants establishing permanent cover on 1,410 ha
- Brunel Cattle Exclusion Project
- Garrioch Creek/Lake Manitoba Cattle Exclusion Project

Project Management

The District administration costs, consisting of staff salaries and expenses and Board remuneration, have remained constant during the past several years. Vehicle expenses and office expenditures reflect the increased cost of the expanded District.

The District also completed the assessment listing for the five Sub-Districts, the Five Year Financial Plan, new Board Members Handbook, ACD Office Procedures Manual and Policy Manual.

External Funding

External funding partnerships allow ACD to carry out a variety of innovative programs and projects. The Board is appreciative of the generosity of the following partner agencies in 2002-03:

Program/Partner	Funding
Sustainable Development Innovations Fund -	
• Aboriginal Heritage Ecotourism Development Project	$7,500
• Water Resources Project	7,500
Canadian Nature Federation – International Bird Association	1,500
Manitoba Fisheries Enhancement Fund	22,500
Special Conservation Fund	950
Career Placement Program	1,494
Alex Robertson Museum	12,414
Hometown Green Team Program	10,350
Manitoba Hydro	
• Amaranth Marsh Project	1,748
• Rorketon Golf Course	1,500
TOTAL	$67,456

Cooks Creek Conservation District

Introduction

Established in 1979, the Cooks Creek Conservation District (CCCD) lies east of Winnipeg and includes most of the Cooks Creek Watershed which discharges into the Red River and parts of the Carrs Creek and Lower Seine River basins, both of which flow into the Red River Floodway. Topography, soils and vegetation of the watershed are distinguished by an eastern upland area and a central lowland area. The District's proximity to Winnipeg has led to an influx of commuter residents in the rural areas as well as in the communities of Anola, Cooks Creek, Dugald, Hazelridge, Oakbank, Ste. Genevieve and Richer. The 86,200 ha Conservation District includes most of the Rural Municipality of Springfield and small portions of the Municipalities of Taché, Ste. Anne, Brokenhead and Reynolds.

COOKS CREEK CONSERVATION DISTRICT
BOARD MEMBERS 2002-03

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#9 - Lower Seine River	Ron Dubinsky	Dugald
#11 - Cooks Creek	Glenn Keilback	Beausejour
#12 - Carrs Creek	Bob Bodnaruk	Oakbank
Provincial Appointee	Vacant	
Board Chairperson	George Sokal	Dugald

Summary

The summer and fall of 2002 was very wet and reinforced the importance of maintaining and upgrading the District's drainage waterways. The District also entered into a two year agreement with Manitoba Conservation to review all drainage license requests in the area.

In addition to the drainage related initiatives, the District program included:

- Well capping - 15 large and small diameter wells were sealed.
- Investigated 35 Sub-Division applications.
- Sponsoring the Ducks Unlimited Canada (DUC) "On-the-Go" Education Program to visit four local schools.
- Sponsored the 4-H Public Speaking, Conservation Farm Family and the Manitoba Conservation Districts Association (MCDA) Conference.
- Continuing investigations into Salmon Lake water retention.

TOTAL EXPENDITURES 2002-03

Activity		Expenditure
Water Management		$243,893
Cooks Creek Diversion Tributary Drains		234,662
Wildlife/Fisheries		7,347
Other		21,611
Crossings		34,945
Public Education		38,123
Program Management		91,844
Assets		5,468
	TOTAL	$677,893

For further details please see Auditor's Report, Appendix B.

Water Management

Frequent and excessive summer and fall rains caused wet conditions that made construction difficult and contributed to the significant losses of agricultural crops. This reinforced the importance of ongoing maintenance and upgrading of the District's drainage waterways.

Activities included:

- Drain reconstruction - 3.8 km - Settlers Road, 2.5 km - Swede Drain, 1.3 km - Centre Line, and 1.6 km - Lorne Hill Road.
- Earth cleanouts were done along 22.5 km of drain.
- Spraying for cattails and brush along 339 km and mowing or brushing along 113 km.
- Beaver population control, removal of beaver dams and miscellaneous earthworks.

A consultant was hired to undertake an ongoing study of upper watershed retention in the Salmon Lake Marsh east of Richer. The study was cost shared with Manitoba Conservation and with the Municipalities of Ste. Anne, Reynolds, Brokenhead and Taché.

The District also entered into a two year agreement with Manitoba Conservation to review all drainage license requests in the area. In addition to receiving new applications, the District has had to investigate numerous complaints associated with drains under construction.

Cooks Creek Diversion Tributary Drains

The District undertook maintenance and upgrading of the drains within the Cooks Creek Diversion Project area. Maintenance activities included:

- 4.9 km of earth cleanouts.
- 14.5 km of brushing.
- 19.3 km of cattail or brush spraying. Upgrading was undertaken on nine crossings.

The Oakbank Canadian Pacific Railway Drain is in the land purchasing stage and construction is proposed for the fall of 2003. The Tributary Drain Projects were funded entirely by the Rural Municipality of Springfield.

Water Quality

Fifteen abandoned wells were sealed in partnership with Prairie Farm Rehabilitation Administration (PFRA). Surface water quality samples continue to be taken by Manitoba Conservation's Water Quality Management section at two locations along the Cooks Creek Waterway.

Crossings

The replacement and maintenance of crossings is a significant part of the management of the drainage infrastructure. The Crossing Program consisted of the repair or replacement of culverts and bridges. New culverts were installed at five locations. The District also undertook repairs to culverts and floodgates at over 35 sites and made repairs to 1 bridge.

Public Education

The District was pleased to sponsor the DUC Oak Hammock Marsh "On the Go" Program to visit four local schools and also sponsored the Springfield 4-H Public Speaking Contest. Two summer students were hired under the Green Team Program. The Conservation Farm Family award was presented to Werner and Annerose Scheurer of Dugald. The District also contributed to the Manitoba Conservation Districts magazine. Board and Sub-District Members and office staff attended the annual MCDA Conference in Brandon.

Program Management

Administration costs include office cleaning, office supplies, utilities and some wages. The District purchased several pieces of new office furniture and replaced the printer.

Intermountain Conservation District

Introduction

On July 15, 1997, the Intermountain Conservation District (IMCD) was officially established as Manitoba's ninth Conservation District. Nestled between the Riding Mountain National Park and the Duck Mountain Provincial Forest, the landscape of the District varies from steep forested escarpment to gentle sloping lakeshore agricultural land. Encompassing an area of nearly 7,200 km^2, the IMCD takes pride in being the Province's largest Conservation District.

Municipalities participating in the Conservation District include the Rural Municipalities of Dauphin, Gilbert Plains, Grandview, Ethelbert, Mossey River and Mountain South, the Villages of Winnipegosis and Ethelbert, the Towns of Gilbert Plains and Grandview and the City of Dauphin.

Concerns as to water management embody much of the area and continue to be the thread that binds the municipalities participating in the CD Program. As such, many programs and initiatives being implemented by the IMCD address the local water-related issues. The diversity of the local landscape, wildlife resources and scenic features within the District also create a variety of challenges and opportunities (recreational, educational and other) that are reflected in its programming and priorities.

INTERMOUNTAIN CONSERVATION DISTRICT BOARD MEMBERS 2002-03

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#47 -Vermillion River	Dwain Davies	Ashville
#48 - Wilson River	Mervin Mitchell	Grandview
#93 - Upper Valley River	Colin White	Grandview
#95 - Lower Valley	Wayne Banting	Grandview
#102 - Fishing/Fork/Mossey	Buddy Herman	Ethelbert
#103 - Garland/Point	Ron Kostyshyn	Ethelbert
#105 - Pine/Sclater/Duck	Albert Strilkiwski	Ethelbert
Provincial Appointee	Walter Mischuk	Grandview
Board Chairperson	Ernie Bayduza	Dauphin

Summary

The completion of the District's Five Year Financial Plan is highlighted as an essential planning model that will complement development and objectives towards future programming endeavors.

Addressing issues of water management and soil conservation continues to be a priority, although tourism and wildlife habitat enhancement projects allowed the District to expand its program portfolio. New initiatives and ongoing promotional campaigns provided a communications avenue, in terms of increasing public awareness of the variety of opportunities available through the CD Program.

Since formation in 1997, IMCD has been building cooperative partnerships with a variety of conservation agencies and organizations. Demonstration and promotion can be considered some of the most valuable activities undertaken throughout the past year. The completion of its resource management plan and the initiation of watershed management plans have also outlined the direction and set new goals for programming.

TOTAL EXPENDITURES 2002-03

Activity		Expenditure
Water Management		$88,179
Soil Conservation		107,879
Public Education		70,959
Assets - Property and Equipment		25,942
Program Management		31,363
	TOTAL	$324,322

For further details see Auditor's Report, Appendix C.

Water Management

The understanding of local water concerns within IMCD has resulted in a progression towards adaptive watershed management initiatives. This critical approach allows for best management practices to be implemented into watershed management planning activities that address local concerns and issues faced.

- Streambank stabilization continued on top of the list of priority activities undertaken. In response to community and landowner concerns, five projects in three of its seven Sub-Districts were undertaken.
- Three riparian works projects were completed encompassing more than 4.8 km of riparian fencing and the construction of two livestock crossings.
- Abandoned Well Program continues to increase, with a total of six abandoned wells being filled and sealed during this past year. Since the program's inception in 1999, 52 abandoned wells have been filled and sealed.
- The Off-Site Watering Program expanded this past year by having a total of nine landowners trying out various systems offered for cattle watering.
- The constant identification of the potential for small dams and water retention has enabled various studies and surveys within the District to determine feasibility of these projects.
- A major concern of sedimentation within the streams/rivers has created the Shale Trap Feasibility Study that will identify the benefits and concerns of this type of structure.

Soil Conservation

The approach of increased producer participation in soil conservation practices has resulted in IMCD's involvement in a variety of programs and services directed at the preservation of existing soil resources.

- The construction of six grassed waterways that totaled a distance of 4.8 km.
- Forage Seed Assistance Program resulted in nearly 809 ha of marginal and erosion-prone land being taken out of annual crop production and replaced with a permanent forage cover.
- The pasture pipeline plow was an enormous success, installing nearly 11 km of waterline for 11 producers.
- The establishment of our tree/shrub plantations along with utilization of these species for project sites was a regular occurrence through the District.

Fish and Wildlife

The protection of riparian areas, the establishment of forages and improvements to water quality, as provided through other programs, all contribute indirectly to the enhancement of fish and wildlife habitat. This has resulted in the progression of IMCD to integrate wildlife habitat initiatives into its many existing programs.

- Preservation and rehabilitation of critical fish and wildlife habitat.
- Overall, project development was concentrated on the technical assessment for Archie Creek Fish Passage, Winnipegosis Sport/Fish Hatchery.
- An assortment of wildlife corridors was investigated.
- The potential for habitat enhancement throughout the District resulted in numerous sites that were identified.

Tourism and Recreation

The diversity of landscape, wildlife and scenic features throughout the District provides a number of opportunities to partner with local interest groups in developing and promoting tourism and recreation opportunities.

- A new recreational outlet with the construction of a public boat launch facility in the lake area, commonly referred to as Shumski Bay, located on Lake Winnipegosis.
- The placement of a floating dock at Pleasant Valley Reservoir was well received by local interest groups within the District.

Public Education

The primary activity during 2002-03 was the completion of the Five Year Financial Plan for long-term management. The plan outlines policies and commitments and sets out a five year strategy and a 20 year vision for the CD.

- School presentations during National Wildlife Week.
- 2nd annual IMCD Banquet.
- Established the first of two berry tree demonstration sites.
- A host of appearances and presentations at other local events.

Project Support

Project support expenditures consist of all costs associated with the investigation and delivery of programs on the landscape, including vehicle operating and maintenance, in field staff salaries, remuneration for Board and Sub-District Members and other costs incurred during the implementation of programs and projects.

Program Management

Program management expenditures consist of all administrative costs associated with ensuring the continued operation of the office, includes salaries and expenses of administrative staff, office supplies and operational expenses, office rental and utilities, legal, accounting and/or service fees.

Kelsey Conservation District

Introduction

On January 1, 1999, the Kelsey Conservation District (KCD) was established as Manitoba's 10th Conservation District. The District lies completely within the boundary of the Rural Municipality of Kelsey, including the Pasquia and Carrot River settlements, Rall's Island, Wanless and the Local Urban District of Cranberry Portage. KCD is the only District that is north of the 53rd parallel and Wanless and Cranberry Portage are both north of the 54th parallel. There are no established Sub-Districts and the total area of the District is approximately 900 km^2.

The District office is located in the Town of The Pas. The Board of Directors represents approximately 2,750 residents from all regions within the Municipality and meets monthly to discuss the business of the District.

Priorities for the KCD include developing programs that deal with prudent resource management, soil and water conservation practices as a means to maintain a healthy rural landscape. The involvement of youth and the formation of sound partnerships are also important aspects of the District's presence in the community.

KELSEY CONSERVATION DISTRICT
BOARD MEMBERS 2002-03

DISTRICT	CHAIRPERSON	ADDRESS
Wanless	Dan Davie	Wanless
Cranberry Portage	Dave Cupples	Cranberry Portage
Pasquia/Carrot River	Larry King	Pasquia
Provincial Appointee	Darwin Marshall	The Pas
Board Chairperson	Kathy Joyal	Rall's Island

Summary

The District continues to focus on developing and delivering programs around sustainable agriculture and riparian area stabilization. Most of the programs that are offered through the District have a direct link to improving and ensuring that water quality will continue to be improved into the future. Work began in developing an integrated resource management plan that will help to guide programs and decision making in the future. Working with and developing partnerships with outside agencies continues to be an ongoing priority.

The communities of Wanless and Cranberry Portage offer opportunities for enhancing their appeal for tourism and recreation related activities.

TOTAL EXPENDITURES 2002-03

Activity		Expenditure
Water Quality		$11,341
Soil Conservation		2,117
Public Education		10,093
Wildlife and Habitat Enhancement		2,768
Assets		14,011
Recreation		979
Program Management		92,907
	TOTAL	$134,216

For further details see Auditor's report, Appendix D.

Water Quality

- Two Alternate Watering and Exclusion Fencing Projects were completed - over 500 cattle were excluded from direct access to two major rivers in the area.
- Pasture plow that was purchased in partnership with Ducks Unlimited Canada (DUC) and Prairie Farm Rehabilitation Administration (PFRA) last year saw use in three areas and installed over 5 km of pipeline.
- Most of the projects that have been implemented under the water quality title are also being used as demonstration sites.
- A Water Monitoring Program is ongoing with Keewatin Community College looking at water quality where it enters and leaves the District.
- Manure Management Program addresses eight historic manure piles along the Carrot and The Pas Rivers. This will remove the historic piles and relocate some facilities away from the riparian areas. This program will be carried out over a three to five year time span. The District is active in seeking outside partnerships to help fully implement this program.

Soil Conservation

- A Forage Assistance Program offers producers an incentive to seed forages in erosion prone areas. Producers buy their own seed and apply to the District for a cost share. The Pasquia/Carrot River area saw 7 landowners seed down 700 ha of erosion and salinity risk areas to forages. The Pasquia/Carrot River and Rall's Island areas are where the majority of forages are produced, with very little in Wanless and Cranberry Portage areas.
- A tree planter was acquired, which is loaned out to landowners for planting shelterbelts, working closely with PFRA's Plastic Mulch Application Program. Last year over 2,500 trees were planted.
- A Soil Testing Program helps producers determine what inputs are required to achieve their desired crop yields. This was initiated to ensure that over application of fertilizer is not taking place.
- A Heavy Harrow Rental Program was implemented in the fall of last year with Flaman Rentals. Due to an unseasonably cool, wet fall, this equipment was not used. This pilot

program will continue in the next year.

Wildlife and Habitat Enhancement

Wildlife and habitat enhancement consisted of a cost shared Nest Box Program with DUC. Private landowners with both small and large acreages that have suitable habitat to warrant the installation of nest boxes qualify. Agreements were signed with the landowner committing the landowner to maintaining the boxes and the habitat where the nest boxes were placed. The Keewatin Community College Eco-Librium Group was involved and installed several nest boxes. In addition, 19 bat boxes were installed throughout the District.

Four dugouts were stocked with rainbow trout in an effort to help reduce the amount of algae in the water. This pilot study appeared to be successful and will be carried out again in the coming year.

A voluntary creel survey was conducted on Rocky Lake in partnership with Manitoba Conservation and Keewatin Community College. The information that was gathered from the fishers will be used to determine population dynamics of fish species and help to give future fisheries management.

The District was involved in a fish study in partnership with the Manitoba Conservation, DUC and the Department of Fisheries and Oceans that looked at fish movement through Rocky Creek.

Public Education

Education and extension are a priority and it is reflected in the programs and commitment that they receive. A regular advertising campaign was ongoing in the local newspaper. Several days were spent in four local schools and in the field discussing the importance of watershed management. The District was involved in tours that were given to producers looking at completed projects, as well as identifying potential projects.

The District has begun a management plan with the help of a private consultant. This process involves meeting with local stakeholders in the five areas that represent the District and will help guide the programs and decision making in the future.

Recreation

The District is working on the restoration of a historic cabin in Wanless that will be used as a tourism information center. The District will utilize external funding towards these recreational activities.

External Funding

Program/Partner	Funding
PFRA	$2,000
Cedar Lake Community Futures	4,000
Rocky Lake Jamboree	600
Manitoba Agriculture and Food	500
TOTAL	$7,100

Program Management

Expenditures for administration consisted of office rental, utilities, office supplies and other operating costs associated with delivering programs. The District is currently involved in the process of hiring an Administrator. The District bought out the lease agreement of a vehicle that is used for District business.

Lake of the Prairies Conservation District

Introduction

The Lake of the Prairies Conservation District (LPCD) includes approximately 205, 000 ha extending from the Saskatchewan border west to Riding Mountain National Park and from the Lake of the Prairies south to the Village of Binscarth. The District was established as Manitoba's 12th CD on January 1, 2001. The LPCD has a diverse landscape ranging from rolling topography in the north to low lying wetland areas in the south. Its principal landscape feature is the Assiniboine River, which runs along the western border of the District.

The District is divided into four Sub-Districts based on the drainage basins of the major rivers and creeks within the area. Twenty-two Sub-District Members act in an advisory capacity to the main Board with each Sub-District Committee Chairperson sitting on the Board. Since its inception, the Board has maintained representation from those Member Councils not represented at the Board level to attend meetings as non-voting Members. Board and representatives meet monthly to discuss District business.

The area serves approximately 4,262 residents and consists of the Rural Municipalities of Russell, Shellmouth-Boulton and Silver Creek, the Town of Russell and the Village of Binscarth. The LPCD office is centrally located in Inglis and is staffed by a full time Manager, part time Financial Administrator and summer Conservation Technician.

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
BOARD MEMBERS 2002-03

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#79 – Silver Creek	Clifford Tetzlaff	Binscarth
#92A – Assiniboine River	Doug Billy	Russell
#92B – Shell River	Stan Herechuk	Inglis
#92C – Thunder Creek	Frank Woroneski	Russell
Board Chairperson	Ron Turetsky	Shortdale

Summary

Due to an unusually cool spring and later than average snowfall in the area, early season works were somewhat hampered. This, in combination with a relatively short fall and an early arrival of winter, made for an overall short working and growing season that is evident in the many cases of frost damage to trees in our region. In spite of this, the District was able to deliver a successful program.

The 2002-03 year was dominated by public awareness and education activities including high profile demonstration sites, producer information days, seminars and Education Programs. The District has deemed public education as a priority and feels that such activities influence good stewardship of the resources. In the upcoming years, expenditures will likely shift towards land based projects and services.

The LPCD prides itself in being efficient and aggressive in obtaining additional assistance to maximize its limited budget. In addition to funding from local Member Councils and Intergovernmental Affairs, a number of contacts with external sources were sought to aid in providing the District with a greater variety of programming and project opportunities.

TOTAL EXPENDITURES 2002-03

Activity		**Expenditure**
Water Management		$15,970
Soil Conservation		15,032
Fish and Wildlife		15,424
Forestry		10,686
Public Education		40,902
Tourism		1,357
Administration		11,270
Other		941
Assets		5,070
	TOTAL	$116,652

For further details see Auditor's report, Appendix E.

Water Management

Water Management Programs were continued from last year, with growing support to expand into Streambank Stabilization and Riparian Planning Programs and services to be developed in the coming years.

- Well Abandonment: Four wells were abandoned and sealed.
- Alternative Water System: Three Off-site Watering Projects were assisted during 2002.
- Grassed Waterways: Grassed waterways to reduce sediment transport were created totalling 2.4 km.

Soil Conservation

The District's commitment to providing a Permanent Cover Program has expanded to include a Clover Seed Program in conjunction with Ducks Unlimited Canada (DUC) providing seed or cost shared seed expenses.

- Forage Assistance - 108.5 ha of pasture mix were seeded.

- Salinity Barrier - 48.5 ha of salinity seed was distributed.
- Clover Forage - 20 ha of seed was given to local producers in 2002.
- Visual and verbal surveys were conducted with all producers participating in the program.

Fish and Wildlife

The District continued with works on the Inglis Weir Project that included hiring a private consultant to create a technical report and multiple scenario designs to repair areas of fish blockage on the Shell River, which have been submitted to the Department of Fisheries and Oceans for approval. This project will result in the re-introduction of several fish species to the upper reaches of the Shell River, as well as contribute to the maintenance and improvement of a local community recreation area and the promotion of conservation education. In all, the project will demand the cooperation of several different agencies. Construction is planned for the fall of 2003.

A wildlife planting demonstration site was completed with 275 trees of varying species being planted. Trees were provided by Prairie Farm Rehabilitation Administration (PFRA).

Forestry

The District sponsored the local Adopt-A-Tree for Soil Conservation Program again this year and delivered white spruce, Manitoba's Provincial tree, to all Grade 3 students in the District. A total of 72 trees were planted.

The Prairie Xeriscape Pilot Project has been completed with funds secured through Manitoba Hydro's Forestry Enhancement Program. The project involved landscaping the grounds of the Inglis Activity Centre, focusing on water and soil conservation, reduced pesticide use, appropriate plant selection, efficient irrigation and mulching using recycled organic material. The project will also provide shelter, fruit trees, an educational component and aesthetics to the area. A family of hummingbirds is already using this planted area as a nesting site.

Over the past year, the District has explored a number of other initiatives related to agroforestry, including the feasibility of research plots focused on riparian plantings, acquiring a plastic mulcher and the potential for using fruit trees and unconventional planting methods for long-term shelterbelt survival. The Shelterbelt Planning Service was offered in the spring of 2002 with two applicants.

Public Education

With the District prioritizing public education from the onset, much progress was made this year in education and awareness throughout, including external funding to secure signage and an area to hold a wetlands classroom directed towards youth.

General presentations were given to various non-profit groups and Member Councils. The Manager and a Board representative attended Council meetings in the Rural Municipalities of Shell River, Hillsburg, Park North and the Town of Roblin to explain the purpose of the CD and update them on current activities. Prospective Councils were invited to join the LPCD at any time and the expansion process was reviewed.

In the area of public/media relations, the District has been advertising in local radio and newspaper interviews in an effort to provide exposure. A number of promotional items to have on hand for local trade shows and various meetings were purchased.

The LPCD's priority for education continued through a variety of demonstrations, tours and extension activities, some of which have already been listed within respective categories. A high profile alkaline site for the demonstration of saline-tolerant seed was secured. This site will lend education to local producers regarding salinity and wetlands while providing exposure for the District.

The Manager, Administrator and selected Board Members participated in staff training and professional development and attended a variety of seminars relating to prospective District operations. The James and Rose Kieper Family of Kieper Farms Ltd. were selected as the Conservation Farm Family.

Program Management

Administrative expenditures include office rent, utilities, staff salaries and expenses along with additional purchases of office furniture, equipment and start-up supplies and remuneration for Board Members.

La Salle Redboine Conservation District

Introduction

The La Salle Redboine Conservation District (LSRCD) was established in January 2002 as Manitoba's 16th Conservation District. The District encompasses 7,000 km^2 of central Manitoba, extending from Spruce Woods Provincial Park in the west to the Fort Whyte Center in the east. North to south, the boundaries extend from Delta Marsh on Lake Manitoba to a few km south of Carman.

It includes the Rural Municipalities of Dufferin, Grey, Cartier, Macdonald, South Norfolk and Victoria, portions of Portage la Prairie and Ritchot, the Village of St. Claude, Towns of Carman and Treherne and the City of Portage la Prairie. The boundaries are further broken down into eight Sub-Districts with local representation governing each Sub-District Board. In total, LSRCD has 45 Board Members, who give direction to the main Board of Directors, listed below.

LA SALLE REDBOINE CONSERVATION DISTRICT
BOARD MEMBERS 2002-03

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#18 - Boyne/Norquay	Roy Wood	Carman
#21 - Central La Salle	Leonard Arnal	Fannystelle
#22- Lower La Salle	Rodney Burns	Starbuck
#24 - Upper La Salle	Claude Menard	Elie
#71 - Cypress River	Raymond Huggart	Treherne
#100 - Long Lake	Terry Martin	Portage la Prairie
#100A - Assiniboine	Marshall Piper	Elie
#101 - Delta	Toby Trimble	Portage la Prairie
Chairperson	Doug Dobrowolski	Domain

Summary

The 2002-03 fiscal year was spent creating a strong foundation for the LSRCD. A District Manager and Administrator were hired in July; office space was established, renovated and fully equipped to handle the programming needs of District projects.

As most Board Members were aware of their own Sub-District's conservation needs, emphasis was placed on understanding the resource needs of neighboring sub-watersheds. Mandates and a strong policy guidebook were created and a program menu was designed to fit the needs of the 37,000 residents. It was essential to have a well-developed policy in place before implementing any programs and as such the District decided to delay the initiation of projects until the summer of 2003.

The District has begun investigating water retention possibilities and is interested in a small dam network. The focus of the programming will be on soil erosion prevention and water retention. The

LSRCD is also dedicated to conservation education and is in the process of developing an Education Program to suit all age groups.

TOTAL EXPENDITURES 2002-03

Activity		Expenditure
Pasture Management		$14,284
Public Education		4,654
Program Management		99,339
Administration		77,652
Assets		74,038
	TOTAL	$269,967

For further details see Auditor's report, Appendix F.

Integrated Watershed Management

The LSRCD Board offered twelve Soils and Water Management Programs to achieve its integrated watershed management goals in 2002-03. The District also investigated wildlife/habitat management, fisheries enhancement, ecotourism and urban watershed management programming. Resource inventories for each sub-watershed began in 2002-03 as a first step to resource plan development. To assist in planning, the Board secured external funding to purchase a Geographic Information System (GIS) and plans to purchase a Global Positioning System (GPS).

Water Management

The Board completed a Water Management Plan with five program offerings for area producers. These included riparian fencing, pasture pipeline plow rental, offshore watering system assistance, sealing abandoned wells and backflood irrigation dams.

Soil Management

Seven programs were developed and offered to area producers to assist in meeting soil management plan objectives. These included bufferstrips, rotational grazing systems, streambank rehabilitation, shelterbelts, grassed runways, permanent plantings and gully erosion repair.

Public Education

In 2002-03, LSRCD focussed its public education programming on the youth through school visits, area producers via workshops and CD sponsored demonstrations. Public extension initiatives included newspaper articles and website information campaigns to reach the District's 37,000 residents. The District installed 28 boundary signs along major thoroughfares.

Urban Watershed Management

The LSRCD partnered with the City of Portage La Prairie in a "greening" Beautification Program in 2002-03. Further, the Board initiated an evaluation of opportunities for urban centers including interpretive trail development and trail restoration.

Program Management

The Board completed extensive planning in 2002-03 to clearly define its mandate, establish a vision, mission, goals and objectives. Incentive-based programs were developed and offered to meet watershed goals. The Board established its policy foundation, acquired the necessary tools and initiated steps toward resource planning and programming.

Little Saskatchewan River Conservation District

Introduction

The Little Saskatchewan River Conservation District (LSRCD) is situated south of Riding Mountain National Park. The District exhibits pothole marshes, undulating lands and the melt water channels of the Oak and Little Saskatchewan Rivers.

Formed in 1999 as the 11th CD in Manitoba, originally the LSRCD was comprised of all or parts of six municipalities, the Rural Municipalities (RMs) of Blanshard, Daly, Saskatchewan and parts of Odanah, Minto and Clanwilliam. It also includes the Towns of Rivers and Minnedosa. In April of 2002, the LSRCD expanded to include the RM of Harrison and the Town of Rapid City.

The LSRCD is comprised of three Distinct Watersheds or Sub-Districts with a total of 28 Sub-District Members who serve in an advisory capacity to the main Board. Two new Board Members were elected in 2002-03.

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2002-03

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#72 - Upper Oak River	Rodger Mawer	Alexander
#72 - Upper Oak River	Gordon Paddock	Oak River
#81 - Central Little Saskatchewan	John Whitaker	Erickson
#81 - Central Little Saskatchewan	Ron Carr	Minnedosa
#82 - Lower Little Saskatchewan	Ed MacKay	Rivers
#82 - Lower Little Saskatchewan	Evan Smith	Rapid City
Board Chairperson	Roy Greer	Rivers

Summary

The mandate of LSRCD is to achieve a sustainable landscape through delivery of comprehensive soil and water conservation programming. Highlights to District programming in 2002-03 included development of a flood protection strategy for the Town of Minnedosa, developing two Headwater Storage Projects, hosting the annual Manitoba Conservation Districts Association (MCDA) tour, celebrating the District's grand opening, completing a Five Year Financial Plan and initiating an integrated resource management plan in Broughton's Creek Watershed.

The Town of Rapid City and the RM of Harrison joined LSRCD in 2002-03. The Board met with the RMs of Park and Strathclair, who have expressed interest in joining the CD in 2003-04.

Record setting climatic extremes affected programming in 2002; the coldest May, hottest July, wettest August and coldest October. Similar to 2001, the Minnedosa region was inundated with two "1 in 75 year" rainstorms causing severe flooding within the community.

TOTAL EXPENDITURES 2002-03

Activity		Expenditure
Water Management		$54,036
Soils Management		66,419
Wildlife/Fisheries		22,556
Public Education		68,509
Forestry		21,317
Program Management		19,121
Assets		19,696
	TOTAL	$271,654

For further details see Auditor's Report, Appendix G.

Water Management

The focus of the Water Management Program is to deliver sustainable watershed based programming to positively influence the quality, quantity and management of the water resource.

Board Initiatives:

- Discussions with Manitoba Conservation to develop an integrated watershed plan for the Little Saskatchewan River Basin.
- One hundred forty abandoned wells were assessed, recorded in a Geographic Information System (GIS) database and prioritized based on severity and groundwater contamination risk. Data will be used to produce a long-term management plan.
- Manitoba Agriculture and Food, Prairie Farm Rehabilitation Administration (PFRA) and Manitoba Conservation were advised of the development of a Cows and Fish Policy for Manitoba. A submission was also made to Manitoba Water Strategy.
- A well testing day to help residents understand the importance of protecting water quality. Over 60 people participated by providing their water quality samples for analysis.

Sub-District Initiatives:

#72 Upper Oak River

- 436 m of pasture pipeline hose sold to a producer for improved watering system.
- Feasibility site assessment for Manitoba Habitat Heritage Corporation (MHHC) Riparian Health Initiatives.
- Wells sealed - 10.
- Recorded and identified 22 wells in the risk assessment inventory.

#82 Lower Little Saskatchewan River

- Constructed one headwater dam structure.
- One waterway stabilization in RM of Harrison.
- Two alternative off-site watering systems installed.
- Continued integrated plan for Broughton's Creek Watershed.
- Initiating development of a watershed plan for Sandy Lake.

- Wells sealed - 11.
- Recorded and identified 38 wells in the risk assessment inventory.

#81 Central Little Saskatchewan River

- Town of Minnedosa flood protection strategy developed. Vertical drop inlet pipe installed.
- One Headwater Storage Project in RM of Clanwilliam.
- Survey and design of potential Water Retention Projects.
- Wells sealed - 22.
- Recorded and identified 19 wells in the risk assessment inventory.

Soil Management

The main focus of the soil management continued to be the Forage Seed Assistance Program. Over 364 ha of highly erodible or marginal lands were secured to permanent cover.

Additional activities included:

- Evaluated Soil Programs.
- Development of an alternative Land Use Pilot Project.
- Forage Program delivered primarily in headwaters of the Oak River and Little Saskatchewan River Watersheds to 52 applicants.
- Delivered Winter Wheat Program.
- The no-till drill was used to seed 182.1 ha.
- Five producers participated in Rotational Grazing Project.
- Completed GIS inventory of forage seed applicants.

Wildlife Habitat Programs

The District views wildlife habitat as an intricate part of the watershed landscape, providing aesthetic, economic and recreational benefits. External partnership funding largely supports Wildlife Programs.

- Eight new conservation corridors were developed with municipalities.

Public Education

Education is a priority in the District. Programming included:

- Developed a Five Year Financial Plan.
- Continued Classrooms and Creeks Program in Erickson and Rivers Collegiates.
- Students analyzed water chemistry from the Rolling River Watershed (Erickson) and Broughton's Creek Watershed (Rivers).
- Broughton's Creek data collection in cooperation with Brandon University student.
- News articles, radio and television interviews completed.
- New CD Mission statement formulated.
- Conducted four radio interviews for CD events.
- CD expansion meetings with RMs of Strathclair and Park.

- Hosted the MCDA Annual Tour.
- Held grand opening of CD.
- Distributed 2000 CD Programs and project placemats.
- Conducted livestock watering seminar presentations in Minnedosa.
- Selected Kathleen and Allana Hyndeman from Oak River as representative in MCDA conservation display competition.
- Assisted Provincial judges with the MCDA Farm Family Competition. Kirk and Gail Bridgeman of Rapid City were selected as Conservation Farm Family for 2002-03.
- New partnerships sought to develop GIS needs.

External Funding

The past year, external support increased for the District's Programs and activities. This support included:

Program Partner	**Funding**
Ducks Unlimited Canada	$45,298
Sustainable Development Innovations Fund	6,600
PFRA	1,444
Delta Waterfowl	3,000
Summer Career Placements	2,453
Critical Wildlife Habitat	1,254
Toronto Dominion/Canada Trust	7,500
Brandon University	2,500
Green Team	3,698
Youth Internship Program	12,000
Fisheries Enhancement Initiative	6,000
MCDA	2,500
Emergency Measures Organization (Flood Assistance)	2,864
Riding Mountain Biosphere Reserve	1,500
TOTAL	$98,611

Program Management

This administrative component includes the salaries of a full time Manager, part time Administrator, casual workers, expenses and remuneration for the Board and Sub-District Members. Summer staff was hired under the Summer Career Placement and the Green Team Program. The District hired a certified engineering technician on an as needed basis.

Mid Assiniboine River Conservation District

Introduction

On March 1, 2002 Mid Assiniboine River Conservation District (MARCD) was proclaimed by Order in Council as Manitoba's 15th Conservation District and encompasses 1,546 km^2 of land in western Manitoba and has a population of 6,635. In its initial year, MARCD offered a variety of programs to local producers addressing soil and water quality in the District. The Member Municipalities are Elton, Cornwallis and Whitehead who partnered to offer area residents a wide variety of Soil and Water Management Programs. The Assiniboine River is the dominant water body flowing through the District.

Manitoba Intergovernmental Affairs is our major supporting partner. In addition, MARCD was able to successfully partner with Prairie Farm Rehabilitation Administration (PFRA), Ducks Unlimited Canada (DUC), Manitoba Habitat Heritage Corporation (MHHC) and local landowners and producers.

MID ASSINIBOINE RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2002-03

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#98A - Little Souris A	Emil Egert	Brandon
#98B - Little Souris B	Gord Hansen	Brandon
#99A - Epinette/Willow Creek	Dan Mazier	Justice
Board Chairperson	Wes Williamson	Alexander
Provincial Appointee	Vacant	

Summary

A number of programs were started in 2002-03. These included forage establishment assistance, abandoned well capping, water supply development and conservation education. A number of initiatives were also evaluated for future programming.

The District has determined that surface water management and public education are priorities. Steps have been taken to start an integrated water management plan for the District.

TOTAL EXPENDITURES 2002-03

Activity	Expenditure
Water Management	$34,153
Soil Conservation	23,327
Public Education	10,013
Assets	15,869
Other Project Support	27,267
Administration	31,048
TOTAL	$141,677

For further details see Auditor's Report, Appendix H.

Water Management

- Capped five abandoned wells.
- Purchased a pasture pipeline plow to provide off-site watering options to local ratepayers.
- Assisted with establishing 22 new water supply sites due to local drought conditions.
- Signed a cooperative agreement with MHHC for delivery of the Riparian Stewardship Enhancement Program.

Soil Conservation

- Forage establishment assistance was provided to 23 producers for 429 ha of new forages.
- DUC provided salinity seed via MARCD to 5 producers for 4.05 ha of saline tolerant forages on cropland edges.

Public Education

- An introductory newsletter was published and bulk mailed to every CD household.
- A logo contest was held and a logo for the District chosen.
- Five Conservation Education School Programs were completed.
- Two articles about the CD appeared in several local publications including the Brandon Sun (well capping).
- Sponsored landowner participation of various education days throughout the area.
- Brian, Sonja, Thomas and Kristelle Harper were our inaugural Conservation Farm Family.

External Funding

Program/Partner	Funding
DUC - salinity seed	$980
PFRA - pasture pipeline plow	5,000
MHHC - riparian stewardship partnership	1,000
TOTAL	$6,980

Program Management

Administrative costs include staff salaries and expenses, remuneration and expenses for Board and Sub-District Members, rent, utilities, additional purchases of office equipment and start up supplies. A part time Administrator was hired in March to help the District Manager.

Pembina Valley Conservation District

Introduction

The Pembina Valley Conservation District (PVCD), incorporated in October 1989, includes 4,270 km^2 of southern Manitoba. The District shares a boundary with North Dakota and its principal landscape features include the Pembina Valley, the Pembina Escarpment, the Tiger Hills, the Cypress River and part of the Red River Valley.

The PVCD is a partnership between the 11,500 residents of the Rural Municipalities of Lorne, Louise, Pembina, Roblin and Thompson, the Towns of Manitou and Pilot Mound and the Villages of Crystal City and Cartwright. There are seven Sub-Districts representing mini-watersheds within the District. The strength of this partnership lies in the grassroots approach and strong support from Manitoba Intergovernmental Affairs and other departments and external agencies. Partnerships are critical to delivering PVCD Programs.

PEMBINA VALLEY CONSERVATION DISTRICT
BOARD MEMBERS 2002-03

SUB-DISTRICT	CHAIRPERSON	ADDRESS
Boundary Area	Rob Harms	Snowflake
Lizard Lake	Murray Seymour	Darlingford
Swan Lake	Larry Van Cauwenberghe	Pilot Mound
Tiger Hills	Gerry DeSmet	Cypress River
Pembina Escarpment	Edgar Cummer	Miami
Crystal-Cypress	Brian Charles	Cartwright
Badger Creek	Howard Ganske	Cartwright
Board Chairperson	Don Alexander	Miami

Summary

The District continues to focus on fundamental soil and water management issues, working with landowners to encourage conservation practices. Water quality issues are a growing concern for area residents and in response additional resources are being allocated to address this. As all aspects of the environment are interconnected, the Board feels that improved water quality is an end product of a lot of the work that we are involved in. To this end the Board has embarked on a number of integrated watershed planning efforts. Multipurpose Water Retention Projects continue to be delivered on the landscape, as are gully stabilization and grass waterways.

This year the District welcomed the Village of Cartwright into the Badger Creek Sub-district. Other partnerships continue to enhance the programming that can be offered to local landowners and Municipalities. The Board appreciates the funding support from Intergovernmental Affairs as well as other Government and non government departments and agencies.

TOTAL EXPENDITURES 2002-03

Activity		Expenditure
Water Management		$345,524
Soil Management		55,372
Public Education		62,713
Wildlife/Fisheries-Trees		29,273
Program Management		40,300
Other		24,357
	TOTAL	$557,539

For further details see Auditor's Report, Appendix I.

TOTAL FUNDING AVAILABLE FOR 2002-03

Municipal Contributions (Levied on all land [not buildings])		$91,516
Intergovernmental Affairs Funding		270,000
External Funding		181,277
Land Owner Share		14,746
	TOTAL	$557,539

Water Management

The District is involved with watersheds that drain into the Pembina, Assiniboine and Morris Rivers. Growing water management concerns include flooding, erosion, sedimentation, water quality and the need for basin wide planning and direction. The District has a Small Dam Program that yields multiple benefits including; groundwater recharge, providing water for agricultural, domestic and recreational use, creation and enhancement of wildlife habitat, flood peak attenuation, water quality improvement, increased water infiltration, increased productivity and precipitation distribution. Over the past year the District responded to these concerns with the following programs:

- Constructed 28 backflood and/or permanent Water Retention Projects.
- Sealed 35 abandoned wells.
- Shock chlorinated 12 wells and completed a well assessment per well.
- Worked on the development of five Integrated Watershed Management plans including:
    - Coleman Watershed
    - Goudney Reservoir
    - Pembina River Basin
    - Assiniboine Delta Aquifer
    - Stephenfield Reservoir
- Demonstrated off-site watering technologies on eight area farms.
- Assisted 37 producers with the installation of 56.8 km of shallow buried pipeline for livestock watering.
- Assisted with a well inventory for the Village of Crystal City.

Soil Management

Soil conservation is viewed as an important factor in the economic, social and environmental health of the rural landscape. The benefits of soils programming include protecting the productivity that we have in this area and improving it for the future. More productive soil means improved economics for producers now and for the next generation. Our role in soil conservation is changing as agriculture is changing with the increased size of farms and machinery. The Soils Program included the following work:

- Forage Seed Assistance Program with 994 ha sown down to permanent cover.
- Two Gully Stabilization Projects.
- Four grass waterways establishment and maintenance.
- Three Checkstrip plots operated, hosting producers daily and with annual field tours.

Public Education and Extension

Public education and extension are a high priority for young and old residents of the District. This becomes more important as increasing change provides new challenges for all of us. The following projects were delivered this year:

- Information is passed on to the community through the local newspapers with each Sub-District putting stories into the paper.
- Sponsored the Ducks Unlimited Canada (DUC) "On the Go" Program in six of our local schools. Several environmental educational sessions with local schools were delivered in and out of the classroom.
- Supports the PVCD Envirothon Club, which is made up of local high school youth and provides a fun environmental education opportunity. Our young people are our future leaders, stewards and protectors of the environment and these types of educational efforts are a priority.
- The Binney Corner Nature Preserve is a 13 ha natural site within the District that is used for education, recreation and nature appreciation. This year, with external funding from Enbridge, a viewing tower was erected. Several school groups used the site for an outdoor classroom. Each year brings increased interest for District schools to use Binney Corner for outdoor educational activities.
- Hosted a Bovine and Shoreline Workshop that promotes healthy riparian management with over 40 participants attending.
- Don and Janie Orchard of Miami were chosen as the Conservation Farm Family. The Orchards were recognized by the District and the Manitoba Conservation Districts Association (MCDA) for their stewardship of the land along the challenging topography of the Manitoba Escarpment.
- The Youth Speaker was Yvette Sanders from Nellie McClung High School.

Wildlife

In an ecosystem all things are connected and inter-dependant and although all the work is involved with benefits to wildlife and fish habitat, specific related projects include the following:

- Manitoba Hydro, through the Forest Enhancement Program, sponsored the purchase of shade, shelter and native fruit trees for planting in local community parks and public areas.
- The Green Banks (Riparian Stewardship) Program, which promotes healthier riparian zones for our rivers, lakes and streams, partners with Manitoba Habitat Heritage Corporation (MHHC) and Manitoba Agriculture to deliver this program.
- Worked together with DUC to encourage landowners to sow a salinity seed mix as an alternative to increased drainage. Twenty-two landowners sowed down 93.08 ha to permanent cover.
- DUC also sponsored 10 producers for a first time winter wheat trial that amounted to 537 ha.

Program Management

The District has dedicated Board and staff that are continually looking for new ways of dealing with the challenges presented by local soil and water problems. Common sense and farmer ingenuity also play a role. Available training opportunities are used to strengthen the human resource side of the District.

Seine-Rat River Conservation District

Introduction

The Seine-Rat River Conservation District (SRRCD), incorporated in 2001, includes approximately 349 km^2 of land located in southeastern Manitoba exclusively in the Rural Municipality of La Broquerie. The District is divided into three Sub-Districts based on watershed boundaries that make project and program recommendations to the main Board, with each Sub-District Committee Chairperson sitting on the main Board.

The SRRCD is located on the edge of the Red River Valley, with little or no topographic relief. The soils are highly erodable sand to sandy loam with incidences of clay occurring in small portions throughout the District which are covered by annual crops, mixed forests and a large portion is in native prairie grasslands or seeded forages. The SRRCD has endeavored to implement programs directed towards protecting water quality (surface and aquifer) which is of high priority within the District and to reduce the incidences of erosion with the highly sensitive soils.

Programs are jointly funded through public and private sector organizations, which are committed to the sustainability of our soil and water resources. Manitoba Intergovernmental Affairs is the major contributing partner. This cooperated effort, as well as the cooperation of other Government and non government organizations and District landowners, results in an effective, well rounded and supported sustainable Resource Management Program in this extremely diverse and unique area of Manitoba.

SEINE-RAT RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2002-03

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#4/6 - Joubert-Tourand Creek	Roland Gauthier	La Broquerie
#7 - Manning Canal	Rod Beckman	La Broquerie
#8 - Seine River	Jean Gagnon	La Broquerie
Board Chairperson	Cornie Goertzen	La Broquerie

Summary

Water management issues were the most dominant feature of the District's programming for 2002-03 with extremely high runoff and precipitation in June of 2002. Much of the District experienced overland flooding which resulted in high damages to personal and public buildings and infrastructure. Conditions throughout the remainder of the season were ideal and the SRRCD successfully delivered its first year of programming.

The District delivered a wide array of Soil and Water Management Programs with the majority of work being done on flood protection and drain maintenance projects.

TOTAL EXPENDITURES 2002-03

Activity		Expenditure
Water Management		$65,005
Soil Conservation		17,762
Public Education and Extension		36,421
Wildlife/Fisheries		2,220
Administration		32,518
Crossing and Flood Protection		4,388
Asset Purchases		11,256
	TOTAL	$169,570

For further details see Auditor's Report, Appendix J.

Water Management

Water quality and quantity are important aspects of a healthy and economically sustainable agriculturally based community. This is why an Off-site Water System Program was initiated for livestock producers, abandoned well capping and the construction of small dams for the purpose of water retention. These programs help to manage water quantity as well as stop contaminants from entering ground and surface water sources. This improves overall water quality within the District and has a positive effect on downstream residents and municipalities.

The CD initiated the following Water Management Programs in 2002-03:

- Maintenance of 25.6 km of drains.
- Replacement of three degraded crossings.
- Construction of one water retention structure.
- Implementation of trial off-site watering system (different landowner each year).
- 4.8 km of riparian (exclusion) fencing.
- Surface Water Quality Testing Program in the District's major watercourses.

Soil Conservation

Soil conservation plays a vital role in the overall health of any watershed. Rainfall and runoff are the main factors contributing to soil erosion and land use practices have a direct impact on the overall effects of these natural cycles. The SRRCD has prepared programs to improve land use practices in erosion prone areas to increase the sustainability of soil resources.

Programs implemented to achieve District goals:

- Grassed runways established - 3.2 km.
- Rotational Grazing Project - one.
- Forage planted as a trial site - 2.03 ha.
- Participated in a joint research project investigating the environmental effects of manure application on forage crops in sensitive soils.

Public Education

Recognizing the importance of public awareness and education in addressing and mitigating environmental issues, the District has endeavored not only to educate area youths, but to also educate landowners of all ages on soil and water conservation related issues.

Projects undertaken in 2002-03 are:

- Development and distribution of pamphlets describing District and programs.
- Development of program fact sheets.
- Five articles on the District in local newspapers, as well as advertisements on District programs.

Wildlife/Fisheries Programming

The SRRCD is endeavoring to secure ecologically important areas for the purpose of wildlife habitat preservation. The District also realizes the importance of managing wildlife in order for area landowners to have full use of their land for agricultural purposes.

District activities in 2002-03:

- Initiated wildlife inventories.
- Began Fisheries Enhancement Initiative on the Seine River.
- Removed five beaver dams from drains.

Expansion Activities

The SRRCD are in ongoing negotiations with neighboring municipalities to expand the District boundaries. The goal is to incorporate the entire Seine and Rat River Watersheds into the District to enable management of the soil and water resources more effectively.

The 2002-03 activities directed towards achieving these expansion goals:

- Contacted all municipalities within the SRRCD Watersheds and informed them of District activities and expansion intentions.
- Met with numerous councils and initiated preliminary expansion discussions.

Tiger Hills Conservation District

Introduction

On January 1, 2001, the Tiger Hills Conservation District (THCD) became Manitoba's 13th Conservation District. Formed as the southern shore of glacial Lake Agassiz during the retreat of the last ice age, the Tiger Hills are a series of low hills typical of kettle and drum topography. Alluvial deposits from the Souris, Assiniboine and Pembina Rivers have left the Tiger Hills underlain by erodable sand and sandy loam soils, referred to as Stockton Sands, as well as silt deposits in the Assiniboine clays. The diverse combinations of its soil types and undulating topography give the Tiger Hills a unique landscape covered with mixed remnant coniferous forests, aspen parkland and mixed prairie grasslands.

Divided into five Sub-Districts, each responsible for a distinctive watershed drainage area, THCD was formed with the partnering of the Rural Municipalities of Argyle, Glenwood, Strathcona and South Cypress, the Village of Glenboro and Manitoba Intergovernmental Affairs, in order to meet these challenges.

TIGER HILLS CONSERVATION DISTRICT
BOARD MEMBERS 2002-03

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#56 - Pelican/Rock Lake	Wayne Hall	Killarney
#68 - Elgin Creek	Doug Denning	Souris
#70A - Upper Oak Creek	Hugh Stephenson	Baldur
#70B - Lower Oak Creek	Wayne Bolack	Baldur
#99 - Central Assiniboine	John Hamilton	Glenboro
Board Chairperson	Jack Bolack	Glenora

Summary

During its second full year of operations, the District has expanded program offerings to landowners while focusing on local water and soil management issues. New programs have been developed that increase awareness of conservation issues, reduce erosion and manage soil salinity problems, control problem wildlife and habitat degradation, address localized flooding and erosion concerns and provide for unique issues from landowners and residents. In 2002, the District assisted landowners, municipalities and other residents with 170 separate conservation projects.

TOTAL EXPENDITURES 2002-03

Activity		Expenditure
Public Education and Extension		$2,019
Soil Conservation		40,465
Wildlife/Fisheries Management		8,554
Water Management		26,486
Assets		17,181
Program Management		48,494
	TOTAL	$143,199

For further details see Auditor's Report, Appendix K.

Soil Conservation

The diverse nature of the area's soil types makes for interesting challenges for erosion control and saline management.

- Forage Seed Assistance Program - 26 landowners sowed 357 ha into perennial cover.
- Distributed 250 fruit trees to local residents encouraging shelterbelt and forest establishment.
- Encouraged the inclusion of winter cereals into rotation - 16 landowners sowed 210 ha of winter wheat.
- 26 landowners utilized the molehill leveler to improve and extend the usefulness of their pasture and hay lands.
- A demonstration site showcasing types of saline tolerant forage mixes was established on 20 ha.
- Salinity Solutions Program - 86 ha of alkali or saline rich areas were sown into grass/forage mixes.

Water Management

Programs were designed to reduce stream flow velocity, protect ground and surface water quality and increase efficient use of on-farm water resources.

- Construction of a small dam to reduce local flooding and provide management of an existing wetland.
- Development of a Grassed Waterway Program designed to reduce flow velocity through low-tech in-stream structures.
- Sealing nine abandoned wells.
- Shock chlorination of 10 wells.
- Installation of a controlled drain with a perennial forage barrier to manage salinity.
- A Shoreline Stabilization Project to protect Five Mile Creek from siltation with re-establishment of natural vegetation at a bridge replacement.
- Assisted with the design and implementation of 17 livestock watering systems, including

installation of 30 km of pasture pipeline.

- The demand for off-site water and to complement rotational grazing has prompted the District to purchase a pasture pipeline plough.

Public Education and Extension

The District continued with the vital job of educating the public, schools and others on the importance and practice of conservation.

- Oak Hammock Marsh "On the Go" visited Baldur, Belmont, Glenboro and Souris public schools.
- School visits included a Conservation Farming Program to Grade 3 students in Glenboro and a career day in Baldur.
- Preschoolers in Glenboro attending a Wellness Fair enjoyed the Bog in a Bucket Program.
- Demonstrations included pasture water system installation, Bovines and Shorelines, Winter Wheat Seminar and tours to other CDs.
- Presentations were made to six local soil and farm groups.
- Displays at local fairs in Glenboro, Baldur, Belmont and Souris were attended.
- Increased extension services by acting as an information site for local farmers looking to improve herd, crop and general farm practices.
- At the annual general meeting, guest speakers spoke on the importance of soil testing, alternatives to continuous cropping on saline areas and Pilot Drainage Projects in other CDs.

Wildlife/Fisheries Management

Programs include problem wildlife control through beaver deceiver installation and prairie enhancement projects, including aspen encroachment and conservation corridor establishment.

Special Projects

Designed to address and investigate requests for special and unique projects from landowners, ratepayers and municipalities.

- Water Management and Wildlife Project along Elgin Creek at the Souris/Glenwood Golf Course.
- Aquaculture of native fish species.
- Cattle crossing on Kelly's Ravine.
- Geographic Information System (GIS) mapping and orthophoto enhancement for landowners.

Program Management

Office operations, staff wages, board remuneration, communications and other operating expenses are included in this program. The District purchased a photocopier to increase external communication capabilities.

Turtle Mountain Conservation District

Introduction

Consisting of 4,260 km^2, the Turtle Mountain Conservation District (TMCD) is located in the southwest corner of Manitoba along the international boundary. The District is bounded on the south by the Turtle Mountain uplands, on the east by the headwaters of the Pembina River system and Pelican Lake and on the west by the historic Souris River. The District is a unique mix of glacial uplands surrounded by a flat intensively farmed till plain. Several intermittent streams, small lakes and potholes characterize the landscape. The upland areas include native mixed grass prairie and deciduous woodlots, while annual cropping predominantly influences the plains. Located in the center of the District is Whitewater Lake, a huge wetland area renown throughout North America for its natural bio-diversity. This mix of topography and natural resources gives rise to many of the activities and programs of the TMCD.

Members of the TMCD include the Rural Municipalities of Arthur, Brenda, Winchester, Morton and Turtle Mountain and the Towns of Killarney, Boissevain, Deloraine and the Village of Waskada. The area represented by these Municipalities is further divided into seven watershed Sub-Districts.

Manitoba Intergovernmental Affairs is the major supporting partner for the program, together with a host of cooperating agencies and various departments of Government at all levels. The interaction, cooperation and support of local landowners and producers is, however, the cornerstone resulting in a sound, well supported program of sustainable resource management for a very unique region of Manitoba and Canada.

TURTLE MOUNTAIN CONSERVATION DISTRICT
BOARD MEMBERS 2002-03

SUB-DISTRICTS	CHAIRPERSON	ADDRESS
#58 - Wakopa Creek	Myna Cryderman	Boissevain
#59 - Upper Pembina	Brian Hammond	Boissevain
#64 - West Arthur	Brian Fletcher	Coulter
#65 - Waskada Creek	Keith Hannah	Waskada
#66 - Medora Creek	Donna Teetaert	Medora
#67 - Chain Lakes	Murray Dillabough	Deloraine
#68 - Elgin Creek/Whitewater Lake	Richard Sexton	Deloraine
Provincial Appointee	Murray Combs	Deloraine
Board Chairperson	Cliff Snyder	Melita

Summary

The District is proud to have completed its 30th year of operation in the 2002-03 fiscal year. Grassroots involvement in 1973 along with the commitment from the local Municipalities and the

Province to address conservation issues in the region led to the formation of the Turtle Mountain Resource CD. The commitment by all involved with the District over the past 30 years has allowed the implementation of many Soil and Water Conservation Programs in addition to wildlife habitat, education, fisheries, historic and heritage projects on the landscape in south-western Manitoba.

The District has the support of a number of external partners that have provided either financial or technical assistance and look forward to continued support in the future. With a rich history on the landscape, the District is proud of the accomplishments and is even more excited about the future for the TMCD and the CD Program.

TOTAL EXPENDITURES 2002-03

Activity		Expenditure
Watershed Management		$174,108
Soil Conservation		110,363
Wildlife		94,659
Public Education and Extension		91,521
Administration		55,932
Equipment/Land		66,424
Amortization		13,804
Inventory		529
	TOTAL	$607,340

For further details see Auditor's Report, Appendix L.

Water Management

Over the past year, seven watershed Sub-Districts have delivered a very diverse list of program activities.

Abandoned Well Sealing Program - Assistance to landowners wishing to permanently seal wells no longer in use - 23 were sealed.

Remote Watering System Program - Designed to assist producers with the establishment of off-site watering systems for livestock - 10 producers were assisted with the establishment of remote watering systems.

Livestock Access Ramp Program - A total of seven limited entry hardened access ramps were constructed to improve livestock watering.

Road Allowance Seeding Program - Supports the reseeding of the right of ways on newly constructed or upgraded roads - 28 km of ditches were seeded to control soil erosion.

Small Water Storage Program - Assists landowners with the construction of small headwater dams - three dams were constructed.

Grassed Waterway Program - Assists landowners with the shaping and seeding of seasonal runs to control erosion - two grassed waterways were established.

Stone Crossing Program - Two crossings were established on intermittent creeks to allow for improved landowner access.

The Chain Lakes Sub-District continues to implement a planned grazing demonstration at the Adair Dam property and also has a solar powered remote watering demonstration system for use by landowners.

Completed the initial steps to create a watershed management plan for the District, which will help direct activities into the future. Existing CD boundaries have been discussed with neighbouring CD's to work on re-aligning the watershed boundary rather than administrative boundaries.

The TMCD is also a member of the Pembina River Basin Advisory Board and has conducted water sampling in the headwaters region of the basin as part of a three year study to collect baseline information on water quality and quantity. The District has been involved with the South West Manitoba Water Development Team and the Tri-Lakes Development Group which are local stakeholder groups working to address the goals of the local members.

Soil Conservation

Forage Seed Assistance Program - Allowed landowners the choice between a District bulk order or to purchase forage seed through a local seed retailer. A total of 96 producers obtained forage seed for 16 ha from the mixtures provided through the bulk order. The purchase option, which consists of financial support to producers, had 97 subscriptions. The District provided assistance to producers with the establishment of 2,774 ha of forage.

Shelterbelt Program - This consists of the establishment of shelterbelts and tree plantings. An estimated 16 km of trees were planted throughout the region. Plastic mulch was applied to the shelterbelts established to assist with weed control.

Rotational Grazing Program - This provides assistance to producers that construct interior fencing to improve livestock distribution. A total of 14 producers in the District received assistance to improve their grazing management systems.

Winter Cereal Program - Assisted first-time growers of winter cereals with a portion of the cost. Six landowners received assistance through Ducks Unlimited Canada (DUC) and the Wakopa Creek Sub-District also provided assistance to first-time growers in their Sub-District.

With the support of external partners, the District continues to offer options for No-till Programs. Two no-till leases and 86 ha of forage seed for salinity barriers were distributed to 21 landowners through the support of Ducks Unlimited Canada (DUC). Specialized seeding equipment included the John Deere 750 no-till drill (180 ha), the Tye grass drill (137 ha) and various broadcast seeders. A total of 2 landowners used the boomless pasture sprayer and 20 producers used the water pump.

Wildlife

Habitat Development and Protection Programs included 11 habitat leases. The District contributes annual payments to producers for wildlife habitat that is protected. Preservation of existing natural habitat is an important goal, especially in the wooded uplands of the Turtle Mountains and native grasslands. The protection of riparian areas and natural wetlands in the prairies is considered critical for bio-diversity, groundwater recharge and healthy water cycles.

A 97 ha parcel of land along Whitewater Lake was acquired for its importance as wildlife habitat. A 10 ha piece of native habitat bordering the Deloraine Reservoir was purchased to ensure water quality protection. A land donation along the western portion of the Turtle Mountains ensures that 48 ha of native habitat will be managed for future generations.

The on-going Aeration Project in the Derksen-Heide Reservoir near Boissevain has been the responsibility of the District. The District has been involved with other local partners in promoting Whitewater Lake as an important bird area.

Public Education

Active in delivering a diverse Public Education Program targeted towards virtually everyone in the District. Children are exposed to educational activities through the "Conservation in the Classroom" Program delivered to school aged children and also focuses on the interests of adults with natural and interpretive areas, as well as the historic and heritage resources. It involves all schools in the District and assists with field trips, operational supplies for greenhouses and the Melita School Environmental Club. Also supports the purchase of publications, books and other materials related to conservation. Funding for the "On the Go" Educational Interpretive Program was also provided to all schools in the region.

Conducted a tour of the western region of the District in place of the annual banquet. The tour allowed Members of the TMCD, Municipal Councillors and the public to view projects and initiatives.

Public interpretive areas remain a priority of the Metigoshe Natural Area, Newcomb's Hollow and other properties owned by the TMCD. The Metigoshe Natural Area continues to be the home of the Turtle Mountain Metis Days during July, in addition to numerous other visitors. The Natural Area consists of a parking area, shelter, interpretive tower and self-guided hiking trail. Newcomb's Hollow has become an attraction for tourists wishing to view the historic Boundary Commission Trail. Continuing to support the Whitewater Lake Wildlife Viewing Center, which is a destination for birders from around the world.

Staff provides extension services to many residents of the District. A Bovines and Shorelines Workshop to raise awareness of riparian areas and management along Killarney Lake was delivered. Hosted two Low-Stress Livestock Handling Workshops for area livestock producers. Assisted members of Holistic Resource Management groups in the area for a grassland tour in North Dakota.

The Duncan and Teresa Armstrong Family from Boissevain was the Conservation Farm Family and Brady Cappelle was the Youth Speaker at the annual Manitoba Conservation Districts Association competitions.

Involved in the promotion of programs through the advertisement in weekly newspapers, in the annual agricultural supplement, as well as numerous articles that inform the District residents of program activities.

Program Management

Program management expenditures include a portion of salaries and expenses for staff, rent and miscellaneous operating costs. The District hired a Project Manager to fill a vacancy, which existed and also takes advantage of external administrative support wherever possible through the Green Team Program.

Additions to the equipment list included a truck for the works crew in addition to one computer, a data projector and a color laser printer for staff. The inventory list consists of plastic mulch and grass seed. Numerous pieces of equipment that were used sparingly or were no longer priorities for the District were sold.

Turtle River Watershed Conservation District

Introduction

The Turtle River Watershed Conservation District (TRWCD) was incorporated in 1975 and includes approximately 235,000 ha of land located between the Riding Mountain Escarpment and Lake Dauphin. The District boundaries are based on the entire Watersheds of the Hansen Creek, Turtle and Ochre Rivers. The TRWCD is further divided into three Sub-Districts (Sub-Watersheds) that encompass all or part of the Rural Municipalities of Alonsa, Dauphin, Lawrence, McCreary, Ochre River, Rosedale and Ste. Rose, as well as the Town of Ste. Rose du Lac and the Village of McCreary.

TURTLE RIVER WATERSHED CONSERVATION DISTRICT
BOARD MEMBERS 2002-03

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#44 - Upper Turtle River	Dave Smith	McCreary
#45 - Lower Turtle River	Paul Brunel	Ste. Rose
#46 - Ochre River	Joe Felix	Ochre River
Board Chairperson	Paul Brunel	Ste. Rose
Provincial Appointee	Denis Maguet	Ste. Rose

Summary

The District continued to place emphasis on numerous watershed issues, including maintenance of agricultural drainage channels and crossings. In water management, proceeded with resolving a number of outstanding soil and water issues, including the finalization of numerous legal surveys and land acquisition right of way payments. Successfully maintained 175 km of agricultural drains through brushing, spraying, cleanouts and reconstruction. Eight erosion control structures constructed along various drains and creeks and one small stretch of streambank stabilized. Numerous crossings underwent extensive repairs and 11 new crossings were replaced/reconstructed.

In the Soils Program, two shelterbelts were addressed. Two grassed waterways were seeded down in natural runs. In partnership with Manitoba Agriculture and Food, an extensive Noxious Weed Program was initiated and focused specifically on leafy spurge and purple loosestrife site identification and control.

Participated in several Public Education and Extension Programs, brought the Cows and Creeks Workshop to the area and honored the 2002 Conservation Farm Family Award recipient MUR MAK FARMS - Bill and Brenda Murray and Family from Makinak.

TOTAL EXPENDITURES 2002-03

Activity	Expenditure
Water Management	$250,560
Land Management Services/Legal Surveys	11,311
Ste. Rose Flood Protection System	857
Crossing Repair and Replacement	104,167
Soil Management	4,801
Wildlife/Fisheries	366
Public Education and Extension	46,283
Program Management	166,699
Custom Work	10,562
Inventory Sales	(29,500)
Inventory Purchases	37,853
Depreciation	20,252
Salvage Revenue	(2,904)
Asset Purchases	4,068
TOTAL	$625,375

For further details see Auditor's Report, Appendix M.

Water Management

Land Management Service (LMS) - Continued to finalize numerous outstanding right of way issues that included payments for land acquisition, processing fees, legal fees, landowner tax repayments and interest charges which have been compounding annually for several years.

Drain Maintenance - In addition to regular vegetative maintenance by mechanical brushing and spraying on various agricultural drainage channels, work under this component included minor repairs, seeding and leveling of 2001 works on the Whyte, McLeod, Chotka, Letain and Ogg Drains. General/minor drain works were completed on a number of areas with major upgrading works being undertaken on the McKinnon, Norgate, Market, Bennet, Brunel/Locksley and Mostoway Drains. Approximately 175 km of drains were maintained in 2002 works season.

Beaver Management - Extensive beaver management expenditures occurred through remedial actions associated with beaver activity in agricultural drains and right of ways cost approximately $20,000 annually.

Miscellaneous - Annual spring icing problems were also addressed and included culvert reinstallation, de-icing, erosion repair and debris removal. In partnership with Manitoba Agriculture and Food, an extensive Noxious Weed Program was initiated and focused specifically on leafy spurge and purple loosestrife site identification and control.

Crossing Repair and Replacement - In addition to the extensive maintenance, 11 sites were repaired/upgraded and maintained throughout the works season. Continued updating an overall inventory of all the crossings within the District on the Geographical Information System - "Watershed the System".

Soil Conservation

Bufferstrip Program - Continued in its initiative to encourage producers to seed down forages along District drainage channels provided 50-50 cost sharing to producers. In the future if there is reoccurring problems along specific drains, TRWCD will only consider works if the landowner agrees and maintains a bufferstrip along the drain.

Grassed Waterway Program - Two producers participated in seeding down the natural waterway, preventing further soil erosion caused by water runoff.

Rural Municipality Road Allowance Seeding Program - Annually, District Rural Municipalities contract the TRWCD to seed road allowances along newly constructed roads preventing erosion.

Shelterbelts/Plastic Mulch Application - Two sites were addressed this past fiscal year.

Multiple Resource Projects/Recreation

The District has initiated the purchase of 130 ha of land in the area north of the current Alluvial Fan, with intentions of securing additional parcels via lease or purchase agreements and also conserves and maintains its other 971 ha of multi resource land.

Wildlife/Fisheries

Wildlife Incentive Program - A one-time payment of $300 is offered to local landowners in return for leaving private land untouched for wildlife and other conservation benefits. One landowner participated this year setting aside 10 ha. To date, approximately 540 ha of wildlife habitat have been cooperatively set aside.

Trout Stocking Program - Continued in three local ponds in the Rural Municipalities of Ochre River, Ste. Rose and McCreary.

Public Education and Extension

The Conservation Farm Family in 2002 was Bill and Brenda Murray and Bill's parents Len and Joy Murray of MUR MAK FARMS in the Makinak area. The Murray family attended the annual Manitoba Conservation Districts Association (MCDA) Conference in Brandon.

Actively participated in the National Soil Conservation, Forestry, Wildlife and Environment Week in such activities as:

- Trees were distributed in partnership with Prairie Farm Rehabilitation Administration.
- Various posters and presentations were completed.
- Field trips to Riding Mountain National Park.

As a member of many organizations, the TRWCD is able to network, find partnerships and new innovative ideas. Also supports many community efforts through supplying staff time, equipment, materials and various promotional items.

Maintains a comprehensive, up-to-date inventory of slides and pictures of all District initiatives for educational purposes and is actively involved in community fairs, various summer events and hosts an annual banquet to inform the public on the many projects and partnerships.

Program Management

Administrative costs include staff salaries and expenses, Board and 18 Sub-District Members remuneration, rent and office operation costs. District staff is maintained by two full time, one part/full time and one part time project consultant. The District also employs two full time seasonal works crews and with the assistance of the Summer Career Placement Program and the Green Team Program, two summer students are hired to assist with many District initiatives. The District is currently involved in Union negotiations.

Upper Assiniboine River Conservation District

Introduction

The Upper Assiniboine River Conservation District (UARCD) was established in 1996. The watershed is roughly rectangular and is described by the border with Riding Mountain National Park in the north to Virden in the south and from the Provincial border with Saskatchewan in the west to the Town of Shoal Lake in the east. The watershed covers an area of approximately 581,182.46 ha. It is one of four Conservation Districts in Manitoba that is larger than the Province of Prince Edward Island.

The UARCD is comprised of the Member Municipalities of Archie, Rossburn, Ellice, Birtle, Shoal Lake, Miniota, Hamiota, Wallace and Woodworth and includes the Towns of Rossburn, Birtle, Shoal Lake and Hamiota. The District is divided into 11 watersheds or Sub-Districts with a total of 62 Sub-District Members representing the watersheds.

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2002-03

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#72 - Upper Oak River	Derek Jenkins	Shoal Lake
#73 - Lower Oak River	Bruce Cochran	Hamiota
#73A - Lower Assiniboine River	Rodney Pearn	Virden
#74 - Minnewasta Creek	Rusty Still	Isabella
#74A - Arrow River	Theresa Michalchuk	Kelloe
#75 - Boshill Creek	Bill McQuaker	Virden
#77 - Birdtail River	Ron Kostesky	Rossburn
#78 - Snake Creek	Oliver Low/Bill Steward*	Foxwarren
#78A - Wythes/Niso Creek	Ron Bryant	Miniota
#78B - Qu'Appelle River	Guy Huberdeau	St. Lazare
#78C Brennand/Scissor Creek	Robin Poole	McAuley
Provincial Appointee	Gerald Shier	Crandall
Board Chairperson	Leonard Sitko	Oakburn

*Oliver Low was replaced by Bill Stewart in the fall of 2002.

Summary

The UARCD added more territory during the 2002-03 program year with the inclusion of a major portion of the Rural Municipality (RM) of Wallace. Expansion into the RM of Wallace added one additional Sub-District and six Sub-District Members to the CD. This also represents the District's third expansion in three years and the fifth expansion since its inception.

The District experienced a very dry spring and summer, with only occasional timely rains preventing the encroachment of the severe drought experienced by producers in Alberta and Saskatchewan. Above average snowfall and slow melt has ensured adequate moisture for spring planting, provided enough runoff to fill dugouts and small dams in most areas and should be a major factor in delaying or preventing the start of a multi year drought. However, given the extremely dry nature of District soils in the fall of 2002 staff expect to find poor survival of newly planted shelterbelt trees, especially spruce, in the spring of 2003.

Even with the limited water shortage experienced by many producers on livestock and mixed farms, grass yields ranging from 55-70% of that harvested in the moisture rich summers of 2000 and 2001 were reported. Consequently, District producers were very cautious about their financial resources and reluctant to spend money on Conservation Programs until late in the year. Fortunately, a relatively open fall allowed construction and earthwork until nearly the middle of December. Throughout the course of the year the District assisted landowners with 289 separate Conservation Projects, making 2002-03 the most active year in the history of the CD.

TOTAL EXPENDITURES 2002-03

Activity		Expenditure
Water Management		$176,392
Wildlife		4,800
Soil Management		112,774
Public Education/Extension		69,775
Program Management		41,234
Assets		16,864
	TOTAL	$421,839

For further details please see Auditor's Report, Appendix N.

Water Management

The primary goal of the Water Management Program is to improve water quality in both groundwater and surface water resources. In an attempt to achieve this goal the Board is protecting groundwater by sealing abandoned wells. Surface water quality is enhanced by reducing infiltration by agricultural pollutants, as well as reducing types of erosion that increase sediment loading in rivers and streams of the watershed.

During the course of the year 127 landowners participated in the following programs:

- Sealing 78 abandoned wells.
- Assisting with 12 Alternative Livestock Watering Projects.
- Construction of two new small dams.
- Repair of five dams, three of which were previously constructed by landowners on a private basis and two of which were constructed by UARCD.
- Construction of a diversion into Hoopers Lake designed to provide regulated lake levels, surface water storage and increased recreational benefits.
- Gully stabilization in the Birdtail Valley near Rossburn and in the Lower Oak River Sub-District near Kenton.
- Construction of 17 new livestock crossings.

- For the first year the District operated a pipeline plow designed to provide remote watering from a variety of applications. Nine landowners took advantage of this to plow in 12,316 m of pipeline.
- A Stream Bank Stabilization Project was undertaken at Birtle Park to reduce bank slumping.

Soil Conservation

The District recognizes that soil resources are vitally important to the watershed for many reasons. First, watershed management begins in the upland where rainfall and runoff start. Healthy uplands reduce erosion and result in improved water quality and watershed health. Second, the District is a predominantly agricultural area. The economy of the area depends upon healthy soil resources. Consequently, practices improving the health and longevity of soil resources should be promoted.

In order to achieve these goals the CD assisted 157 cooperating landowners in the following programs:

- Rotational grazing funding and plans were provided to eight landowners.
- The Saline Seed Program provided seed to 30 landowners sowing 113.12 ha of problem saline areas to permanent cover.
- Through the Forage Seed Program 70 landowners were able to transform 1,450 ha of marginal land to more sustainable permanent cover.
- Through the incentive to sow winter cereals 15 landowners enrolled over 744 ha of cropland.
- Assisted 14 landowners with the design and planting of over 15,742 km of shelterbelts.
- A no-till drill was maintained in the Miniota area to encourage reduced tillage. It eventually sowed 350 ha for 20 landowners.

Public Education and Extension Services

The District has committed to a public education and extension strategy for its residents. In fact, during the workshops for the Five Year Plan, Educational Programs were identified as the most important component of District programming. Area schools and the education of landowners have been identified as a key component of this strategy. During 2002-03 more Education Programs were offered than in any previous year, these included:

- Conservation in the Classroom, a tree planting education seminar for area students that reached every school. The seminar was sponsored by Manitoba Hydro and not only provided an introduction to tree planting for the students, it also introduced many students to the CD.
- Participation in several educational days throughout the District.
- Funding was received from Manitoba Agriculture and Food and Prairie Farm Rehabilitation Administration (PFRA) in order to purchase two remote watering systems for demonstration purposes.
- A Bovines and Shorelines Seminar was offered which provided landowners the tools to assess the quality of their riparian pastures, as well as options for the management of these areas.
- Two newsletters describing District activities were published and bulk mailed to all residents within the watershed.
- A demonstration day highlighting winter watering systems was showcased.
- A youth speaking competition was held.

- A conservation display competition was held with the winners coming from Shoal Lake School.
- Educational displays of working watershed models were set up at fairs around the CD.
- Several articles were produced for the local and Provincial newspapers and included:
  - Well inspection and shock chlorination in the crossroads;
  - Bovines and Shorelines highlighted in the Brandon Sun, numerous agricultural periodicals and featured on CKX television; and
  - Conservation Farm Family articles appeared in the Virden Empire Advance, Crossroads and Russell Banner.
- A forage plot with several different varieties of trees was maintained in the Minnewasta Sub-District.
- Our first ever Five Year Plan was completed this year and will be distributed early in 2003-04.

Wildlife and Habitat Programs

As outlined in our recently completed management plan and Five Year Plan, the District recognizes wildlife management as one important aspect of watershed management. However, as there are many existing agencies with the primary mandate of wildlife management, the District will not take the lead role in Wildlife or Habitat Programs, but will instead assist these agencies.

Following this directive the District:

- Continued our conservation partnerships with Ducks Unlimited Canada and Delta Waterfowl.
- Secured funding for the final year of twice over rotational grazing demonstration with much thanks to Critical Wildlife Habitat staff for their work on this grant.
- Assisted the Hamiota Conservation Authority with the establishment of a Conservation Corridor Program in the RM of Hamiota associated with their recreational trail development.
- Continued to offer Demonstration Projects of new technology to combat the negative effects of high beaver populations.

External Funding

As usual there were several conservation agencies partnering with the District on various projects during 2002-03. Conservation partnerships and cooperative resource management are important to UARCD and we look forward to expanding these partnerships in the future.

Program/Partner	Funding
EcoAction*	$33,000
Ducks Unlimited Canada	24,269
Covering New Ground	11,370
Delta Waterfowl	3,000
Prairie Farm Rehabilitation Administration (Rural Water Development Program)	5,741
Green Team	2,596
Canadian Council for Human Resources in the Environment Industry	3,192
Manitoba Conservation – Fisheries Department	1,500
Summer Career Placement	-2,127
Manitoba Hydro – Forestry Enhancement Fund	5,668
Geographic Information System Partners Revenue	3,000
Registered Charity Gas Rebate	191
Shoal Lake Water Quality Enhancement Corporation	2,917
TOTAL	$98,571

*UARCD was the funding proponent for money spent in three CDs by a Board consisting of Manitoba Conservation, Manitoba Agriculture and Food, Crown Lands, Manitoba Cattle Producers Association, Environment Canada, West Souris River Conservation District and Manitoba Habitat Heritage Corporation. This grant does not show up in the audited accounts of the CD.

Program Management

This program includes staff salaries and expenses, remuneration for Board and Sub-District Members, rent and other operating costs. Staffing remained unchanged during 2002-03. However, the number of Sub-District representatives did increase with the addition of the RM of Wallace.

West Souris River Conservation District

Introduction

The West Souris River Conservation District (WSRCD) was officially incorporated as Manitoba's seventh Conservation District on January 1, 1995. Expansion of the District on April 1, 1999 added the Rural Municipality (RM) of Cameron to the original membership of the RMs of Albert, Edward, Pipestone and Sifton. A second expansion in April 2002 brought part of the RM of Wallace into the District. A total of seven Sub-Districts were formed on the basis of the watersheds of the several creeks within the District.

The WSRCD covers approximately 4,352.5 km^2 of southwestern Manitoba. Soils are generally light and prone to erosion. Communities in WSRCD face numerous challenges in sustaining long-term, productive use of their natural resource base. Programs have been designed to locally manage soil and water resources in the area.

WEST SOURIS RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2002-03

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#98 - North Pipestone/Sifton	Richard Thiry	Oak Lake
#62 - Plum Creek	Doug Wilson	Reston
#63 - Stony Creek	Lloyd Atchison	Pipestone
#64 - Jackson/Graham Creek	Manson Moir/Perry Hendry	Tilston
#65 - Gainsborough/South Antler	Tim McMechan	Lyleton
#67 - Central Souris River	Gordon White	Hartney
#68 - Elgin Creek	Greg More	Elgin
Provincial Appointee	Bill Henderson	Oak Lake
Board Chairperson	Gregg Fotheringham	Reston

Summary

WSRCD completed a Five Year Plan and through this process has made many changes to their program delivery for the upcoming years. Partnerships were formed with many agencies including Ducks Unlimited Canada (DUC), Manitoba Habitat Heritage Corporation (MHHC), Fisheries Enhancement Initiative (FEI), Rural Water Development Program (RWDP), Prairie Farm Rehabilitation Administration (PFRA), Manitoba Intergovernmental Affairs and Manitoba Hydro.

Water management priorities are met through a wide array of projects aimed at water quality and quantity. Water quality issues were addressed through testing of ground and surface water sources, as well as the sealing of old wells. The flexibility of the CD Program allowed for increased budget for the development of new wells as the need arose due to drought conditions. Water shortages for livestock brought about strong interest in the pasture pipeline plough and the use of alternative water systems for livestock. An active role in the development of a South West Manitoba Water Development Team, which includes 14 municipalities, several towns and the Turtle Mountain Conservation District. A cooperative watershed planning proposal with Saskatchewan Watershed Authority was developed and external funding opportunities examined.

As a result of the Five Year Plan process, many of the Soils Programs were reviewed and decisions made to discontinue the Drill Program and to restructure the Forage Programs as the proposed new Green Cover Program is developed.

This was a successful year for Educational Programs, made possible primarily by strong support garnered through numerous partnerships.

TOTAL EXPENDITURES 2002-03

Activity		Expenditure
Water Management		$117,892
Soil Management		131,753
Public Education and Awareness		82,219
Wildlife Management		52,193
Program Management		64,602
Assets		26,932
	TOTAL	$475,591

For further details please see Auditor's Report, Appendix O.

Water Management

Ensuring water quality and quantity for District residents are primary goals of the WSRCD. Protection, development and wise use of ground and surface water sources are the foundation of this program. The following programs and initiatives were implemented:

- Sealing of 12 old wells.
- Assistance on the development of 19 new farm wells.
- Water chemistry testing on 122 wells.
- Continued quality testing on all creeks in the District.
- More than 20 referrals made to The Manitoba Water Services Board (MWSB) for off-site watering and other Water Development Projects.
- Through the purchase and promotion of a pasture pipeline plough 29 km of water lines were installed to alleviate water shortages for 14 livestock operations.
- Active roles in management of the Oak Lake aquifer through District representation on the Oak Lake Aquifer Management Advisory Board (OLAMAB).
- Cooperated with Prairie Farm Rehabilitation Administration to implement a groundwater assessment aimed at compiling old and new information in order to develop digital reports and maps of groundwater potential, quality, etc.
- Actively participated in a joint venture, which brought about the organization of the Southwest Manitoba Water Development Team.
- Assisted through technical advice with the construction of three dugout access ramps designed to reduce slumping and infilling of dugouts.

- Completed the analysis of the Pipestone Creek Riparian Conservation Pilot. Costs to remove dead elms from 10.62 km of creek banks totalled almost $1,864 per km.

Soil Management

The productivity and health of our soil resources are not only key to the economic viability of agriculture in the region but also reflect on the overall health of our watersheds. Soil Programs addressed issues of erosion, soil improvement and productivity through the following activities:

- 42 landowners used the no-till drill to seed 5,000 ha.
- More than 50 producers sowed 8,400 ha of forages through the Bulk Forage Order, Forage for Problem Soils and Forage in Rotation Programs.
- Managed grazing systems were developed using recommended techniques for eight farms.
- 13 km of new shelterbelts were planted and maintenance continued on more than 20 km.

Public Education and Awareness

As in the past, many other agencies offered financial or technical support for Education Programs that included:

- Environmental Education Projects and programs with five schools that included Classroom Conservation, shelterbelt education, aquatic studies and the Oak Hammock Marsh Interpretive Centre's "On the Go" Program.
- Pierson School's Clean Stream Team (CST) worked with Greg Riddell to make improvements along a tributary of the Gainsborough Creek. These improvements included grazing management, riparian fencing and pasture pipeline and makes a total of 6.43 km of creek improvements done by the CST.
- Staff was invited to judge Science Fair Projects at Oak Lake and Pierson schools.
- A float depicting the District's activities was entered in the Reston Fair.
- A funding proposal written by WSRCD on behalf of the OLAMAB resulted in funds to purchase a display that is shared with the education committee of OLAMAB. The two organizations also share a laptop computer and tabletop model.
- Hosted the Mixed Grass Prairie Grazing Demonstration summer tour for the second year and highlighted three native pasture grazing systems.
- Forage plots showing over 30 grasses and legumes were maintained.
- WSRCD and Upper Assiniboine River Conservation District co-sponsored a Bovines and Shorelines Workshop along the Gopher Creek in the RM of Wallace. Television and newspaper reporters covered the event.
- The Elliotts of Pipestone were selected as the Conservation Farm Family.
- Danielle McMechan was the Youth Speaker. She was selected as top speaker at the Manitoba Conservation Districts Association (MCDA) Conference.
- A number of news articles were written about or submitted by the District, for local papers including:
    - 8th Annual Banquet.
    - Mixed Grass Prairie Grazing Project tour.
    - Update on Pipestone Creek Riparian Conservation Pilot.
    - Continuation of Well Water Testing Program and later the results of the tests.
    - Conservation Farm Family and Youth Speaker.
    - Interview of Manager and follow-up news article of Pipestone Creek Riparian Conservation by Farmers Independent Weekly.

- Guided tours of the Canupawakpa Nature Trail with students from Reston Elementary School.

Wildlife

Cooperatively delivered a number of programs beneficial to fish and wildlife. These included:

- Participation in the Mixed Grass Prairie Grazing Demonstration. This project, initiated by wildlife agencies in the Province to show the benefits of rotational grazing native grasslands for the good of wildlife and increased livestock productivity, was in its final year.
- Distribution of salinity forage and blended clover mixes to producers as part of the DUC Habitat Conservation agreement.
- Monitoring of oxygen levels on Oak Lake.
- Stream inventory of the Stony and Gopher Creeks.

New Advancements

A number of new initiatives and program directives were established, some as a result of the five year planning exercise, others as a result of partnerships with other agencies. They are as follows:

- Entered into discussions with Turtle Mountain Conservation District on changing joint boundaries from municipal to natural watersheds.
- Began an evaluation of all programs. The No-Till Drill Program was discontinued and Forage Programs went under review.
- Streamlined program delivery to develop an economical approach to meeting District priorities.
- Entered into an agreement with PFRA to perform a groundwater assessment of the region and to implement exploration for new sources.
- Explored options for more efficient aeration of Oak Lake.
- Initiated preliminary discussions with Saskatchewan Watershed Authority to work cooperatively on a new watershed plan.
- Indicated to Manitoba Conservation the District's desire to be involved with drainage licensing.

Project Support

Project support costs consisted of equipment maintenance and leases, remuneration for the Board and Sub-District Members and salaries for technical support staff and program coordination and planning.

External Funding

Many new and existing partnerships with Government, non-government and private agencies provided additional funding or assistance to deliver valuable resource projects in WSRCD. We wish to express our gratitude to:

Program/Partner	Funding
Manitoba Habitat Heritage Corporation	$8,000
Ducks Unlimited Canada	14,710
Manitoba Agricultural Sustainability Initiative	2,745
Fisheries Enhancement Initiative	14,370
Career Start	2,407
Rural Municipality of Pipestone	1,316
Anonymous Donor	4,000
Manitoba Conservation	12,913
Rural Water Development Program (PFRA)	26,597
The Manitoba Water Services Board	552
Manitoba Health	1,807
TOTAL	$89,417

Additional contributions through technical assistance and in kind services were provided by: MWSB, Manitoba Crown Lands, Manitoba Agriculture and Food, RWDP, Manitoba Conservation, PFRA, DUC, Manitoba Conservation Districts Program and Manitoba Agro Woodlot Program.

Program Management

Administratively, two major events brought changes to the operations of the WSRCD. First, was the expansion of the District to include 16,965 ha of the RM of Wallace, effective April 1st. Second, was the completion of a five year financial and operating plan.

Administrative costs include staff salaries, reimbursed expenses and office/shop operation costs. Reimbursement for office space and secretarial duties continued to be provided by MHHC.

Additions to office and support equipment included various computer equipment and software, digital projector and camera, Global Positioning System (GPS) receiver, new cellular phones, pipeline plough and a 1999 truck. The annual debenture payment for office financing is also included.

Whitemud Watershed Conservation District

Introduction

The Whitemud Watershed Conservation District (WWCD), incorporated in March 1972, includes approximately 711,495 ha extending from Carberry north to Kelwood and from Portage Diversion west toward Minnedosa.

The area includes all or portions of the Rural Municipalities of Alonsa, Clanwilliam, Elton, Glenella, Lakeview, Langford, Lansdowne, McCreary, Minto, North Cypress, North Norfolk, Odanah, Portage la Prairie, Rosedale and Westbourne, the Towns of Gladstone and Neepawa and the Village of MacGregor. There are eight Sub-Districts, determined by the drainage basins of the major tributaries of the Whitemud River. There are 67 Sub-District Members who act in an advisory capacity to the main Board, with each Committee Chairperson sitting on the Board.

WHITEMUD WATERSHED CONSERVATION DISTRICT BOARD MEMBERS 2002-03

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#35 - Rat Creek	Tom Tunski	Rossendale
#36 - Westbourne Drain	Bill Wieler	MacGregor
#37 - Squirrel Creek	Minnie Parynuik	MacGregor
#38 - Pine Creek	Roy McConnell	Gladstone
#39 - Upper Whitemud	Wayne Csversko	Neepawa
#40 – Boggy Creek	Wes Pankratz	Minnedosa
#42 - Big Grass Marsh	Einar Sigurdson	Lakeland
#43 - Big Grass River	Danny Post	Waldersee
Provincial Appointee	Bud G. Johnson	Neepawa
Board Chairperson	Robert Rodgers	MacGregor

Summary

The theme of the District was celebrating the past and planning for the future. The 2002-03 year marked the 30th Anniversary of operations of the first CD established in the Province. The District also developed a new Five Year Plan to guide budgets and programs from 2003-04 to 2007-08.

The highly successful Drainage Pilot Project between the District and Manitoba Conservation also concluded in 2002-03. In the two year program 190 files were finalized, involving 785 residents, including 94 physical controls within a 5-6 week timeline for individual files. The results met the goals set out by the District to increase efficiency, improve controls and provide more local decision making in drainage licensing.

In the Water Control Program, 970 km of drainage channels were mowed, 27 km of drains were upgraded, 20 grassed runways were completed and 8 Creek Fencing Projects to improve riparian areas were constructed. Seventy-two bridge and culvert crossings were repaired and 24 crossings were replaced.

The District also replaced three crossings, repaired one crossing and rationalized one crossing under the terms and conditions of the Memorandum of Understanding on Provincial Road/Provincial Trunk Highway (PR/PTH) crossings.

Soil Conservation initiatives saw 55 landowners seed down 1,017 ha of erosion risk soils to forages and 27 km of field shelterbelts planted. Howard and Jason McDonald won the Conservation Farm Family Award. Shelterbelt awards were presented to Fiskel Farms, Bulas Farms and Ron Calvert.

The District sponsored a number of conservation education initiatives with area schools, highlighted by the "Johnny Appleseed" Program, which provided 250 apple trees to Grade 5 students in 24 area schools.

The WWCD received over 5,000 calls and met on-site with over 600 residents of the District in 2002-03.

TOTAL EXPENDITURES 2002-03

Activity		Expenditure
Water Management		
Maintenance		$435,624
Water Retention		58,614
Drainage Pilot Project		8,237
Crossings		
Repairs		73,382
Replacements		96,688
PR/PTH		41,708
Soil Conservation		99,140
Wildlife and Fisheries		44,169
Public Education		97,229
Administration		
Program Support / Planning		57,475
Office Operation		49,336
Assets		
Infrastructure Reserve Account		43,558
Office Equipment		3,202
Flood Expenses		41,138
Other		16,474
	TOTAL	$1,165,974

For further details see Auditor's Report, Appendix P.

Water Management

The Water Management Program includes the responsibility for the maintenance and reconstruction of 1,760 km of man-made drains. It also includes the repair and replacement of bridges and culvert crossings (1,265 in total). Other water management activities include construction of grassed runways to prevent soil erosion, small dam construction to store water, shale trap installation to prevent channel sedimentation and Gully Stabilization Projects. The District completed water quality sampling along the Whitemud River in partnership with Manitoba Conservation.

In addition to the Drainage Pilot Project, the District advanced its Water Retention Concept in 2002 by surveying three potential sites to determine project feasibility.

Flood costs totalled $41,138, the majority of funds covered by Emergency Measures Organization (EMO).

Each Sub-District implemented one or more specified projects within its area. They are as follows:

Sub-District #35:

- One crossing replaced.
- Maintenance on 12 crossings.
- Beaver Dam Program.
- Reshaping done on Rat Creek, Lelant, Wolfe and Charlton Drains.
- Partnered with Rural Municipality of Portage la Prairie and Province on a Diversion Project.
- Mowing and spraying maintenance.
- Surveys obtained on five other District projects by Province of Manitoba.
- A water retention study obtained for a MacDonald Project.

Sub-District #36:

- Maintenance on six crossings.
- Nine crossings replaced.
- Survey and design Water Retention Project.
- Reshaping done on Pugh Drain.
- Mowing and spraying maintenance.

Sub-District #37:

- Maintenance done on six crossings.
- Control of leafy spurge and small shrubs.
- One crossing replaced.
- Reshaping done on Jensen Drain.
- Mowing maintenance.
- One small retention dam built.
- Additional land purchased on Jensen Drain for future works.

Sub-District #38:

- Maintenance on seven crossings.
- Beaver Dam Program.
- Control of leafy spurge and small shrubs.
- Mowing maintenance.
- One small shale trap structure built.
- One ring dyke constructed around farmyard.

Sub-District #39:

- Maintenance on 14 crossings.
- Control of leafy spurge and small shrubs.
- Two crossings replaced.
- Nine runways worked on.
- Beaver Dam Program.
- Mowing maintenance.
- Two drains worked on.

Sub-District #40:

- Worked on 17 runways.
- Maintenance on three crossings.
- Mowing maintenance.
- Beaver dam maintenance.
- One drain worked on.

Sub-District #42:

- Maintenance on 15 crossings.
- Control of leafy spurge.
- Five crossings replaced.
- Cleanout on Prairie Farm Rehabilitation Administration (PFRA) Gopher, Hanneson, Big Grass, Watson, Sollner and Jordan Drains.
- Mowing maintenance.
- Yard/Dyke Program-constructed one dyke.
- Beaver Dam Program.
- Surveys obtained on another three drains for proposed works.
- Two PR/PTH crossings replaced.

Sub-District #43:

- Maintenance on 20 crossings.
- Mowing, small shrub spraying and hand brushing.
- Nine crossings replaced.
- Cleanout of Glenella, Alonsa, Glencairn, Jumping Deer, Snake Creek, Schultz and Correction Line Drains.
- Beaver dam removed.
- One shale trap constructed.
- New 2" x 4" top on bridge deck.
- Surveys obtained on another four proposed works.
- One PR/PTH crossing replaced.
- One PR/PTH crossing repaired.

Soil Conservation

Forage Assistance Program: There were 1,017 ha seeded to forage by 55 landowners. Cost sharing was 75% landowner and 25% District.

Shelterbelt Assistance Program: There were 27 km of new plantings, including field shelterbelts, wildlife tree plantings and block tree plantings. There was 100 km of shelterbelts cultivated. Shelterbelt awards were presented to Fiskel Farms, Bulas Farms and Ron Calvert.

Riparian Program: Four "Healthy Streambanks" Projects were developed to promote livestock management and improved riparian areas within the Whitemud River Watershed.

Wildlife and Habitat Programs

Wildlife Habitat Preservation: One new Wildlands Project was established and one sign relocated and six were replaced. Four Riparian Projects were completed in the Upper Whitemud Basin Study area. This study identified over 50 potential projects to improve habitat, wildlife and farming practices along Stoney Creek, Boggy Creek and Brookdale Drains.

Public Education and Extension Services

- Forty-two Boy Scouts planted 5,000 trees north of Arden.
- Tree plantings at Neepawa, Eden and Arden
- Two hundred fifty Grade 5 students received a 5 foot apple tree
- Whitemud Newsletter distributed to all households
- District appeared in print media over 76 times
- Utilized radio advertising for programs and promotion
- Over 20 presentations/tours given, highlighted by a 30th Anniversary tour and supper
- Conservation magazine subscriptions purchased for 12 school libraries
- 31st Annual Whitemud Bonspiel held
- Met once with all 18 councils in District
- Distribution of District placemats (20,000)

External Funding

The Board had an excellent year regarding cooperative partnership projects and external funding assistance. A summary is as follows:

Program/Partner	**Funding**
Hometown Green Team	$4,309
Fisheries Enhancement Initiative	23,836
PR/PTH MOU with Intergovernmental Affairs	41,708
Manitoba Habitat Heritage Corporation	3,400
EMO (Flood Assistance)	41,127
The Manitoba Water Services Board (Water Retention)	20,000
AAFC- Prairie Farm Rehabilitation Administration (PFRA) (Water Retention)	20,000
TOTAL	$154,380

Program Management

This program includes staff salaries and expenses, remuneration for Board and Sub-District Members, rent and operating costs. Staffing remained unchanged for 2002-03.

ALONSA CONSERVATION DISTRICT NO. 3

FINANCIAL STATEMENTS

MARCH 31, 2003

ALONSA CONSERVATION DISTRICT NO. 3

MARCH 31, 2003

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chartered accountants

AUDITORS' REPORT

To the Members of the Board
Alonsa Conservation District No. 3
Alonsa, Manitoba

We have audited the balance sheet of Alonsa Conservation District No. 3 as at March 31, 2003 and the statement of revenues, expenditures and surplus (deficit) for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2003 and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Provincial Contributions presented by the District.

The Exchange

chartered accountants

Winnipeg, Manitoba
July 10, 2003

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ALONSA CONSERVATION DISTRICT NO. 3

BALANCE SHEET
AS AT MARCH 31, 2003

	2003	2002
ASSETS		
CURRENT		
Bank and term deposit	$ 70,737	$ -
Accounts receivable		
General	49,159	31,843
Province of Manitoba	316	34,881
	120,212	66,724
FIXED, notes 1 and 2	3,638	6,138
	$ 123,850	$ 72,862
LIABILITIES		
CURRENT		
Bank overdraft	$ -	$ 12,258
Unexpended grants, note 3	68,986	43,483
	68,986	55,741
EMERGENCY RESERVE ACCOUNT	10,000	10,000
SURPLUS		
SURPLUS	44,864	7,121
	$ 123,850	$ 72,862

COMMITMENTS, note 5

APPROVED BY THE BOARD:

____________ Chairman

Danny North ____________ Member

ALONSA CONSERVATION DISTRICT NO. 3

STATEMENT OF REVENUES, EXPENDITURES AND SURPLUS (DEFICIT)
YEAR ENDED MARCH 31, 2003

	2003	2002
REVENUES		
Province of Manitoba allocated grant	$ 205,435	$ 252,038
Municipal grants	66,105	57,200
Farmer assistance revenue	51,128	20,934
Grant revenue, page 6	85,290	127,908
Sundry	848	4,324
	408,806	462,404
EXPENDITURES		
Projects expenditures, page 6	179,562	298,581
Board remuneration and expense	16,378	5,610
Other administration	28,274	15,195
Staff wages	-	34,391
Depreciation	2,499	2,939
MCDA dues	3,740	-
Soils	87,474	45,772
Public relations and education	13,977	14,037
Summer Career, Partners with Youth, and Green Team programs	28,864	19,549
Fisheries	5,415	229
Wildlife	7,636	1,196
Vehicle	-	6,442
GST recovered	(3,862)	(6,745)
Professional development	1,106	226
	371,063	437,422
EXCESS REVENUE	37,743	24,982
SURPLUS (DEFICIT), beginning of year	7,121	(17,861)
SURPLUS, end of year	$ 44,864	$ 7,121

ALONSA CONSERVATION DISTRICT NO. 3

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2003

1. SIGNIFICANT ACCOUNTING POLICY

The financial statements of the District have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policy summarized below:

(a) Depreciation

Depreciation on equipment is calculated on a straight-line basis at 15% and on the computer equipment at 25% per annum and prorated in the year of acquisition.

2. FIXED ASSETS

	Cost	Accumulated Depreciation	2003 Net Book Value	2002 Net Book Value
Office equipment	$ 51,860	$ 49,394	$ 2,466	$ 3,303
Computer hardware	10,542	9,370	1,172	2,835
	$ 62,402	$ 58,764	$ 3,638	$ 6,138

3. UNEXPENDED GRANTS

	2003	2002
Ducks Unlimited	$ 3,483	$ 3,483
Fisheries Inventory Project	12,170	-
Infrastructure Reserve Fund	53,333	40,000
	$ 68,986	$ 43,483

4. STATEMENT OF CASH FLOWS

A separate statement of cash flows is not presented since cash flows from operating, investing and financial activities are readily apparent from the other financial statements.

5. COMMITMENTS

During the year, the District leased a 2002 Dodge truck. This lease calls for monthly payments of $538 expiring March, 2006. Future minimum lease payments are:

2004	$	6,546
2005		6,546
2006		6,546

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF GRANT REVENUE AND PROJECTS EXPENDITURES
YEAR ENDED MARCH 31, 2003

	2003	2002
GRANT REVENUE		
Summer Career Placement Program	$ 1,494	$ 944
Emergency Measures - Flood	41,071	-
Manitoba Hydro - Forestry	3,248	-
Lone Spruce Road	-	29,668
Green Team Program	10,350	9,632
PR/WWCD Project	-	866
Fisheries Enhancement Fund	11,280	9,500
Structure Replacement	-	34,560
Birdwatchers Fund	1,347	238
Canadian Nature Federation - Woodpecker project	1,500	-
SDIF Projects	15,000	35,000
World Wildlife Fund - LAFES	-	7,500
	$ 85,290	$ 127,908
PROJECTS EXPENDITURES		
Amaranth Marsh Project	$ 2,391	$ 11,591
Forestry	2,241	563
Flood	-	64,695
Structure Replacement	-	41,702
Fisheries Habitat Enhancement	10,330	-
SDIF Projects	11,663	40,621
Miscellaneous crossing repairs	34,088	22,206
Water	32,742	23,694
Channel Maintenance	57,358	66,748
Channel Maintenance - Beavers	11,272	23,896
Trail Maintenance	4,459	671
GIS / Inventories plotting	8,586	-
On-Site Program	4,432	2,194
	$ 179,562	$ 298,581

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF PROVINCIAL CONTRIBUTIONS
YEAR ENDED MARCH 31, 2003
(Unaudited)

	Total	% Shareable Prov./Dist./ External	Province Share	District Share	External Share
PROJECTS AND PROGRAMS					
Trails Maintenance	$ 4,459	75/25/0	$ 3,344	$ 1,115	$ -
Summer Career Placement	3,741	45/15/40	1,685	562	1,494
Public Relations and Education	13,977	70/25/0	10,483	3,494	-
MCDA Dues	3,740	75/25/0	2,805	935	-
Professional development	1,106	75/25/0	830	276	-
On-Site Placement Program	4,432	13/4/83	3,324	1,108	-
SDIF - Project 1	515	0/0/100	(5,239)	(1,746)	7,500
Green Team	25,124	44/15/41	11,080	3,694	10,350
Forage Seed Program	80,454	28/72/0	22,500	57,954	-
Soils Conservation Program	4,649	75/25/0	3,487	1,162	-
Amaranth Marsh Project	2,391	0/0/100	(44)	(15)	2,450
Soils Projects					
- Rotational Grazing	1,572	75/25/0	1,179	393	-
- Riparian Projects	2,371	75/25/0	1,778	593	-
Wildlife Incentive	2,076	26/74/0	547	1,529	-
Fish Spawning	5,415	75/25/0	4,061	1,354	-
Fisheries Inventories Project	10,330	0/0/100	-	-	10,330
Woodpecker Project	3,988	47/16/37	1,866	622	1,500
Rorketon Golf Course Project	2,241	33/11/56	745	248	1,248
Channel Maintenance	57,358	75/25/0	43,019	14,339	-
Channel maintenance-Beavers	11,272	75/25/0	8,454	2,818	-
Surveying and Engineering	7,518	75/25/0	5,638	1,880	-
Abandoned Well Projects	7,788	75/25/0	5,841	1,947	-
SDIF - Project 2	11,148	25/8/67	2,736	912	7,500
Equipment Repair	4,102	75/25/0	3,077	1,025	-
Crossings	34,088	75/25/0	25,566	8,522	-
GIS/Inventories Plotting	8,586	75/25/0	6,440	2,146	-
GST refund	(3,862)	75/25/0	(2,897)	(965)	-
Infrastructure Reserve Fund	13,333	75/25/0	10,000	3,333	-
	323,912		172,305	109,235	42,372
PROGRAM SUPPORT					
Board remuneration	16,378	75/25/0	12,283	4,095	-
Office administration	27,797	75/25/0	20,847	6,950	-
100% Board administration	476	0/100/0	-	476	-
	44,651		33,130	11,521	-

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF PROVINCIAL CONTRIBUTIONS
YEAR ENDED MARCH 31, 2003
(Unaudited)

	Total	% Shareable Prov./Dist./ External	Province Share	District Share	External Share
OTHER PROGRAMS					
A. Robertson Museum	12,414	0/0/100	-	-	12,414
ASSETS					
Non-cost shared depreciation	2,499	0/100/0	-	2,499	-
TOTAL	$ 383,476		$ 205,435	$ 123,255	$ 54,786

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/PAYABLE
YEAR ENDED MARCH 31, 2003

	2003	2002
Provincial Grant	$ 240,000	$ 230,000
Less, receivable, beginning of year	34,881	12,843
	205,119	217,157
Less: Provincial allocation	205,435	252,038
Receivable, end of year	$ 316	$ 34,881

COOKS CREEK
CONSERVATION DISTRICT NO. 5

FINANCIAL STATEMENTS

MARCH 31, 2003

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5 Statement of Revenue and Expenditures

6 Statement of Cash Flows

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12 Schedule of Cost Sharing

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Winkler, Manitoba
R6W 4A7

AUDITOR'S REPORT

TO THE MEMBERS:
COOKS CREEK CONSERVATION DISTRICT NO. 5

I have audited the balance sheet of Cooks Creek Conservation District No. 5 as at March 31, 2003 and the statements of changes in surplus, revenue and expenditures, and cash flows for the year then ended. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Province of Manitoba has not approved the funding of the prior years' over-expenditures. As a result I am unable to confirm or verify by alternative means the unfunded deficit included in the financial statements totalling $331,681. Accordingly, I was not able to determine whether any adjustment might be necessary to unfunded deficit and surplus.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself with respect to the balance of the unfunded deficit described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2003 and the results of its operations and the changes in its surplus and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Jim Smith
CHARTERED ACCOUNTANT INC.

Winkler, Manitoba
May 22, 2003

COOKS CREEK CONSERVATION DISTRICT NO. 5

BALANCE SHEET

MARCH 31, 2003

ASSETS

	2003	2002	2001
CURRENT			
Cash and term deposits	$ 293,919	$ 3,511	$ 47,855
Accounts receivable (note 3)	16,467	11,045	16,340
Prepaid expense	2,348	1,258	361
	312,734	15,814	64,556
CAPITAL (note 2c)	30,361	30,361	30,361
INVESTMENT (note 5)	9,000	9,000	9,000
UNFUNDED DEFICIT (note 4)	331,681	331,681	331,681
	$ 683,776	$ 386,856	$ 435,598

APPROVED BY

George Sobal Director

Ron Dulesky Director

COOKS CREEK CONSERVATION DISTRICT NO. 5

BALANCE SHEET

MARCH 31, 2003

LIABILITIES

	2003	2002	2001
CURRENT			
Accounts payable	$ 5,436	$ 16,871	$ 156
Unearned revenue (note 6)	305,338	-	-
	310,774	16,871	156
RESERVE FUND	10,010	-	-
	320,784	16,871	156

SURPLUS

	2003	2002	2001
SURPLUS (page 4)	362,992	369,985	435,442
	$ 683,776	$ 386,856	$ 435,598

Subsequent event (note 8)

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF CHANGES IN SURPLUS

FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002	2001
Surplus, beginning of year	$ 369,985	$ 435,442	$ 408,647
Excess (deficiency) of revenue over expenditures	3,017	(65,457)	26,795
Transfer to reserve fund	(10,010)	-	-
SURPLUS, END OF YEAR	$ 362,992	$ 369,985	$ 435,442

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002	2001
REVENUE			
Municipal levies			
Rural Municipality of Brokenhead	$ 249	$ 282	$ 282
Rural Municipality of Ste. Anne	2,883	1,984	1,995
Rural Municipality of Springfield	121,334	116,224	116,089
Rural Municipality of Tache	7,261	7,027	6,995
Provincial grants			
Rural development - funded	245,000	205,000	192,000
- unfunded	-	-	111,342
Other funding	38,239	17,079	6,971
GIS partnership	-	3,000	-
Canada Employment	-	2,168	2,112
Cost sharing - Salmon Lake study	10,479	200	4,494
Drainage and crossing projects			
Rural Municipality of Brokenhead	2,500	-	-
Rural Municipality of Springfield	247,351	246,496	82,559
Rural Municipality of Tache	-	-	7,000
Manitoba Conservation	950	13,500	2,500
Manitoba Environment	-	11,166	13,813
Manitoba Water Services Board			
Special crossings infrastructure fund	-	195,000	-
National soils and PFRA	1,429	1,926	3,041
Donations	2,100	-	-
Interest income	1,135	1,092	3,427
	680,910	822,144	554,620
EXPENDITURES			
Program management (page 10)	91,844	91,751	76,358
Public education (page 10)	38,123	13,931	10,844
Assets (page 10)	5,468	4,675	-
District programs (page 11)	542,458	777,244	440,623
	677,893	887,601	527,825
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	$ 3,017	$ (65,457)	$ 26,795

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (deficiency) of revenue over expenditures	$ 3,017	$ (65,457)	$ 26,795
Changes in non-cash working capital (note 7)	287,391	21,113	(91,299)
NET INCREASE (DECREASE) IN CASH	290,408	(44,344)	(64,504)
Cash at beginning of year	3,511	47,855	112,359
CASH AT END OF YEAR	$ 293,919	$ 3,511	$ 47,855

COOKS CREEK CONSERVATION DISTRICT NO. 5

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2003

1. PURPOSE OF THE ORGANIZATION

Cooks Creek Conservation District No.5 is a not-for-profit organization funded primarily by local municipalities and the Province of Manitoba. The purpose of the organization is to manage the natural resources located within its boundaries in such a way that they are passed on to future generations in the same or better condition than at present.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Inventories

Inventories of materials and supplies are not taken into account. Such items are expensed in the year purchased.

b) Income taxes

Cooks Creek Conservation District No. 5 is a not-for-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

c) Capital assets

Effective with the fiscal year ending March 31, 2001, it is the District's policy to expense capital assets in the year of purchase. Amortization of capital assets is no longer being provided for in the District's records.

3. ACCOUNTS RECEIVABLE

	2003	2002	2001
Goods and services tax	$ 6,488	$ 11,045	$ 7,836
Manitoba Conservation	9,979	-	-
Rural Municipality of Springfield	-	-	8,504
	$ 16,467	$ 11,045	$ 16,340

COOKS CREEK CONSERVATION DISTRICT NO. 5

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2003

4. UNFUNDED DEFICIT

The unfunded deficit represents expenditures incurred in years prior to 2002 that exceeded amounts for which funding was received from the Province. Expenditures are normally cost-shared with the Province.

5. INVESTMENT

In 1998 the District purchased GIS software and invested in a GIS partnership fund. The investment is stated at cost.

6. UNEARNED REVENUE

Represents funding received from the Rural Municipality of Springfield for the Oakbank CPR and Hillside drain projects. The projects will be completed in the 2004 fiscal year.

7. CHANGES IN NON-CASH WORKING CAPITAL

	2003	2002	2001
Increase (decrease) in cash from changes in:			
Accounts receivable	$ (5,422)	$ 5,295	$ (2,110)
Accounts receivable - Province of Manitoba	-	-	154,865
Unfunded deficit	-	-	(111,342)
Prepaid expense	(1,090)	(899)	(359)
Accounts payable	(11,435)	16,717	(132,353)
Unearned revenue	305,338	-	-
	$ 287,391	$ 21,113	$ (91,299)

COOKS CREEK CONSERVATION DISTRICT NO. 5

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2003

8. SUBSEQUENT EVENT

Subsequent to year end, the District obtained legal title to ecological property consisting of 45 acres of land and buildings. The property was gifted to the District and has an appraised value of $296,000.

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002	2001
PROGRAM MANAGEMENT			
Administrator assistant wages	$ -	$ 1,376	$ -
Administrator wages and expenses	30,606	27,208	17,610
Audit and legal	1,283	1,210	1,082
Board expenses (100%)	-	5	880
Board remuneration and expenses	7,814	15,168	9,682
Insurance	2,040	785	1,078
Manager expenses	1,833	-	1,331
Manager salary and benefits (portion only)	27,905	30,772	32,908
Office cleaning	3,380	-	-
Office operation	8,683	4,060	1,143
Printing, postage and stationery	4,092	2,620	930
Rent	-	4,862	6,837
Utilities	4,208	3,685	2,877
	$ 91,844	$ 91,751	$ 76,358
PUBLIC EDUCATION	$ 38,123	$ 13,931	$ 10,844
ASSETS	$ 5,468	$ 4,675	$ -

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002	2001
DISTRICT PROGRAMS			
WILDLIFE/FISHERIES			
Wildlife habitat	$ 7,347	$ -	$ -
WATER			
Maintenance	158,897	103,132	118,801
Engineering and management	-	19,659	49,073
Reconstruction	74,833	57,159	116,791
Tributary drains	234,662	554,424	66,616
Water retention studies	10,163	8,634	6,052
CROSSINGS			
Repairs/replacements	34,945	16,569	57,398
OTHER			
Abandoned wells	4,288	5,779	9,123
Creek water quality testing	-	11,888	14,747
Fisheries inventory	-	-	2,022
Drainage licensing	15,677	-	-
Subdivisions/public relations	1,646	-	-
	$ 542,458	$ 777,244	$ 440,623

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF COST SHARING

FOR THE YEAR ENDED MARCH 31, 2003

	Revised Budget (Unaudited)	Total Expenditures	External	Provincial	Local	
					Levy	Other
ADMINISTRATION						
Office operation	$ 20,000	$ 23,519	$ -	$ 16,420	$ 5,946	$ 1,153
Program support/planning	70,000	68,325	-	24,878	43,447	-
	90,000	91,844	-	41,298	49,393	1,153
ASSETS						
Equipment	5,500	5,468	-	4,101	1,367	-
PUBLIC EDUCATION	17,000	38,123	-	28,592	9,531	-
WILDLIFE/FISHERIES						
Wildlife habitat	3,000	7,347	-	-	7,347	-
WATER						
Maintenance	137,500	158,897	4,604	102,763	34,254	17,276
Reconstruction	36,228	74,833	28,232	27,879	13,472	5,250
Tributary drains	500,000	234,662	-	-	-	234,662
Studies/dyking	19,000	10,163	9,979	184	-	-
Project support/planning	24,000	-	-	-	-	-
	716,728	478,555	42,815	130,826	47,726	257,188
CROSSINGS						
Repairs/replacements	37,322	34,945	-	26,209	8,736	-
OTHER						
Drainage licensing	15,000	15,677	950	11,045	3,682	-
Sealing wells	7,250	4,288	1,429	1,694	565	600
Subdivisions/public relations	-	1,646	-	1,235	411	-
	22,250	21,611	2,379	13,974	4,658	600
TOTAL EXPENDITURES	$ 891,800	$ 677,893	$ 45,194	$ 245,000	$ 128,758	$ 258,941
TOTAL EXPENDITURES (%)		100	7	36	19	38

PROVINCIAL GRANT RECEIVABLE/PAYABLE SUMMARY

2002/2003 Grant received	$ 245,000
Less: share of expenditures	(245,000)
	$ -

Appendix C

AUDITORS' REPORT

We have audited the Statement of Financial Position of Intermountain Conservation District as at March 31st, 2003 and the Statements of Changes in Net Assets, Operations, and Cash Flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31st, 2003 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

ZAPLITNY & ZAMRYKUT,
Chartered Accountants

DAUPHIN, Manitoba
June 18th, 2003

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(The accompanying notes are an integral part of these financial statements)

STATEMENT "1"

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF FINANCIAL POSITION
As at March 31st, 2003 and 2002

		2003	2002
ASSETS			
Current Assets -			
Cash in Bank	$	17,377	22,368
Temporary Investments		25,688	20,332
Accounts Receivable		28,512	33,713
Province of Manitoba Receivable (Schedule 3)		163	5,210
Inventory (Note 2)		9,704	2,469
		81,444	84,092
Investments		9,630	9,630
Capital Assets (Note 3)		111,167	121,420
Total	$	202,241	215,142
LIABILITIES			
Current Liabilities -			
Deferred Contributions	$	32,090	31,998
Accounts Payable		25,008	40,202
Current Portion of Long-Term Debt		8,300	7,643
		65,398	79,843
Long-Term Debt (Note 4)		31,728	40,923
Total		97,126	120,766
NET ASSETS			
Net Assets		105,115	94,376
Total	$	202,241	215,142

Approved by the Board:

_______________ Director

_______________ Director

(The accompanying notes are an integral part of these financial statements)

STATEMENT "2"

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF CHANGES IN NET ASSETS
As at March 31st, 2003 and 2002

		2003	2002
Net Assets, Beginning of Year	$	94,376	87,123
Excess of Revenue Over/(Under) Expenditures		10,739	7,253
Net Assets, End of Year	$	105,115	94,376

(The accompanying notes are an integral part of these financial statements)

STATEMENT "3"

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF OPERATIONS
For the Years Ended March 31st, 2003 and 2002

		2003	2002
Revenue -			
Municipal Levies	$	49,627	34,751
Town Levies		14,707	14,248
Provincial Grant		174,953	159,946
Land Owner		41,017	38,670
Other Revenue		17,410	46,117
		297,714	293,732
Expenditures (Schedule "1")		286,975	286,479
Excess of Revenue Over/(Under) Expenditures	$	10,739	7,253

(The accompanying notes are an integral part of these financial statements)

STATEMENT "4"

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF CASH FLOWS
For the Years Ended March 31st, 2003 and 2002

	2003	2002
Cash Provided by (Used in) Operating Activities -		
Excess of Revenue Over Expenditure	$ 10,739	7,253
Non-Cash Items included in Expenditures		
Amortization	13,450	14,109
	24,189	21,362
Changes in Non-Cash Working Capital Components -		
Temporary Investments	(5,356)	(15,703)
Accounts Receivable	10,248	35,369
Inventory	(7,235)	560
Accounts Payable	(15,194)	(33,629)
Other	749	10,944
	7,401	18,903
Investing -		
Purchase of Capital Assets	(3,197)	(8,160)
Increase (Decrease) in Long-Term Debt	(9,195)	(7,914)
Increase (Decrease) in Cash	(4,991)	2,829
Cash (Deficit), Beginning of Year	22,368	19,539
Cash, End of Year	$ 17,377	22,368

(The accompanying notes are an integral part of these financial statements)

SCHEDULE "1"

INTERMOUNTAIN CONSERVATION DISTRICT

SCHEDULE OF EXPENDITURES
For the Years Ended March 31st, 2003 and 2002

	2003	2002
Expenditures -		
Accounting and Legal	$ 1,545	1,545
Advertising and Promotion	8,457	2,778
Amortization	13,450	14,109
Bad Debt Expense	19	
Bank Charges	2,472	3,528
Creek Rehabilitation	742	7,483
Grassed Waterways	11,796	11,189
IMCD Remuneration	22,430	18,573
Insurance	6,341	4,697
Inventory		1,608
MCDA Dues and Licencing Fees	3,000	3,200
Insurance Claim		919
Office Expense	9,187	8,523
Public Relations & Education	12,979	13,231
Recreation and Tourism		415
Pasture Pipeline Plow	13,341	8,465
Livestock Watering Options	849	13,003
Office Repairs and Maintenance	6,823	
Crossing & Riparian Works	2,082	3,632
Staff Wages and Benefits	93,413	90,818
Stream & Gully Stabilization	24,770	15,629
Field Gear	369	857
Utilities	6,806	5,306
Equipment & Vehicle Maintenance	11,379	8,754
Abandoned Wells	1,384	6,577
Forage Seed Program	30,357	40,781
Trees and Shelterbelts	806	724
Misc. Programs	2,178	135
Total Expenditures	$ 286,975	286,479

(The accompanying notes are an integral part of these financial statements)

SCHEDULE "2"

INTERMOUNTAIN CONSERVATION DISTRICT

SCHEDULE OF COST SHARING
For the Year Ended March 31st, 2003

	Total Expenditures	Cost/Share	Provincial	Board	External
Administration -					
Facility Charges	$ 9,000	75/25/0	6,750	2,250	
Utilities	2,951	75/25/0	2,213	738	
Office Operation	6,760	47/53/0	3,200	3,560	
Insurance	5,077	75/25/0	3,808	1,269	
Project Support/Planning	6,006	75/25/0	4,504	1,502	
Service Fees	1,569	75/25/0	1,177	392	
Total Administration	31,363		21,652	9,711	
Public Education -					
MCDA Dues	3,000	75/25/0	2,250	750	
Livestock Watering Options	849	0/0/100			849
Advertising/Signage	8,232	59/41/0	4,870	3,362	
Educational Activities	5,218	61/39/0	3,164	2,054	
Program Support & Planning	45,899	71/24/5	32,658	10,886	2,355
Meetings & Conventions	7,761	61/39/0	4,731	3,030	
Total Public Education	70,959		47,673	20,082	3,204
Office Equipment	2,077	75/25/0	1,558	519	
Soils -					
Forage Seed	30,357	32/68/0	9,767	20,590	
Grassed Waterways	12,270	58/42/0	7,067	5,203	
Pasture Pipeline Plow	13,341	1/99/0	73	13,268	
Trees/Shelterbelts	1,000	75/25/0	750	250	
Seeding & Spraying	160	75/25/0	120	40	
Program Support & Planning	50,751	74/25/1	37,522	12,507	722
Total Soils	107,879		55,299	51,858	722
Water -					
Streambank Stabilization	24,769	60/29/11	14,876	7,240	2,653
Creek Rehabilitation	741	39/29/32	287	216	238
Riparian Works	2,082	49/51/0	1,030	1,052	
Watershed Management	16,161	0/0/100	44	14	16,103
Abandoned Wells	1,384	57/43/0	794	590	
Sediment/Shale Trap Study	846	75/25/0	635	211	
Water Storage/Retention	495	75/25/0	371	124	
Program Support & Planning	41,701	74/25/1	30,734	10,245	722
Total Water	88,179		48,771	19,692	19,716
Board Expenses -					
Depreciation	13,450	0/100/0		13,450	
Renovations	7,944	0/100/0		7,944	
Property Loan Interest	2,262	0/100/0		2,262	
Bank Charges	209	0/100/0		209	
	23,865			23,865	
	$ 324,322		174,953	125,727	23,642

(The accompanying notes are an integral part of these financial statements)

SCHEDULE "3"

INTERMOUNTAIN CONSERVATION DISTRICT

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/(PAYABLE)
For the Years Ended March 31st, 2003 and 2002

		2003	2002
Balance Beginning of Year of Provincial Grant Receivable	$	5,210	5,264
Add: Grant Allocated (Schedule "2")		174,953	159,946
		180,163	165,210
Deduct: Provincial Grant Received		180,000	160,000
Balance End of Year Provincial Grant Receivable	$	163	5,210

(The accompanying notes are an integral part of these financial statements)

INTERMOUNTAIN CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
March 31st, 2003

1. Incorporation and Commencement of Operations -

The Intermountain Conservation District was incorporated under the laws of the Province of Manitoba and commenced operations on July 15th, 1997.

Organization -
The Intermountain Conservation District operates under the authority of The Conservation Districts Act. The objectives for the District under the Act are to provide for the conservation control and prudent use of resources.

2. Accounting Policies -

The financial statements have been prepared on a going concern basis in accordance with generally accepted accounting principles and include the following significant accounting policies:

Investments -
Investments are recorded at the lower of cost and net realizable value.

Capital Assets -
Capital Assets are recorded at cost. Amortization is provided on a straight line basis over the estimated useful lives of the assets. The useful lives, with no salvage value are estimated as:

Building	30 Years
Automotive	8 years
Office Furniture	15 years
Office Equipment & Signs	5 years
Field Equipment	10 years

Income Taxes -
Intermountain Conservation District is a not-for-profit organization and is exempt from income taxes under Section 149 of the Income Tax Act.

Revenue Recognition -
The financial statements have been prepared following the deferral method of accounting for contributions. Restricted contributions are recognized in the year to which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Measurement Uncertainty -
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Financial Instruments -
The organization's financial instruments include instruments with short and long-term maturities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate and credit risks arising from these instruments.

Inventory -

Inventory is valued at the lower of cost or market on a first in first out basis.

INTERMOUNTAIN CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
March 31st, 2003

3. Capital Assets -

		Cost	Accumulated Amortization	2003 Book Value	2002 Book Value
Land	$	5,000		5,000	5,000
Automotive		39,033	25,853	13,180	18,059
Buildings		89,280	8,351	80,929	82,734
Furniture, Equipment and Signs		41,313	29,255	12,058	15,627
	$	174,626	63,459	111,167	121,420

4. Long-Term Debt -

		2003	2002
Ethelbert Credit Union Limited Commercial mortgage #2 Interest: 6.75% Terms: Repayable in blended monthly instalments of $900 for 85 months Security: Property SE 36-29-22 Original amount of mortgage was $60,000 which was received August 2000	$	40,028	48,566
Less: Current Portion		8,300	7,643
	$	31,728	40,923

Principal repayments required for the next 5 years:

2004	$	8,300
2005		8,820
2006		9,370
2007		9,950
2008		3,588

KELSEY CONSERVATION DISTRICT

FINANCIAL STATEMENTS
(prepared with Audit)

MARCH 31, 2003

Prepared by the accounting firm of:
M. FAYE KOBELKA
Certified General Accountant

KELSEY CONSERVATION DISTRICT

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M. FAYE KOBELKA
CERTIFIED GENERAL ACCOUNTANT
BOX 1228
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TEL: 204-623-4664 FAX: 204-623-4686

Auditor's Report

To: The Board of Directors
KELSEY CONSERVATION DISTRICT

I have audited the statement of financial position of Kelsey Conservation District as at March 31, 2003 and the Statement of Operations and Changes in Net Assets for the year then ended. These financial statements are the responsibility of the District's Management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Generally Accepted Auditing Standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of Kelsey Conservation District as at March 31, 2003, and the results of its operations and the changes in it's net assets for the year then ended in accordance with Generally Accepted Accounting Procedures.

M Faye Kobelka

M. Faye Kobelka
Certified General Accountant

June 30, 2003
The Pas, MB

KELSEY CONSERVATION DISTRICT

COMPARATIVE STATEMENT OF FINANCIAL POSITION

Audited

	March 31 2003	2002
ASSETS		
CURRENT		
Cash	$ 16,435	$ 586
Accounts Receivable (note 3)	1,139	3,785
Inventories	114	113
	17,688	4,484
CAPITAL ASSETS (Note 5)	37,535	50,327
	$ 55,223	$ 54,811
LIABILITIES & FUND BALANCES		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses (note 4)	$ 1,478	$ 7,059
LONG TERM DEBT (Note 6)	-	20,269
	1,478	27,328
RESTRICTED FUNDS	682	-
INVESTMENT IN CAPITAL ASSETS	37,535	50,327
GENERAL OPERATING FUND	15,528	(22,844)
	$ 55,223	$ 54,811

Approved on behalf of the Board

(The accompanying notes are an integral part of these financial statements)

KELSEY CONSERVATION DISTRICT

COMPARATIVE STATEMENT OF OPERATIONS

Audited

		March 31
	2003	**2002**
REVENUES		
Grant Contributions	$ 155,796	$ 135,360
Other	4,000	3,152
	159,796	138,512
GENERAL & ADMINISTRATIVE EXPENDITURES		
Amortization	14,011	9,485
Automotive	6,421	1,296
Honorariums	9,600	12,744
Interest	1,775	-
Management Plan	8,910	-
Meetings	7,276	2,150
Office	3,856	5,573
Project Expenditure (Appendix B)	27,298	49,249
Rent	5,100	5,100
Travel	4,503	1,909
Utilities & Water Monitoring	3,357	3,169
Wages & Benefits	42,109	40,528
	134,216	131,203
Excess / (Deficiency) of Revenues over Expenditures	$ 25,580	$ 7,309

(The accompanying notes are an integral part of these financial statements)

KELSEY CONSERVATION DISTRICT

COMPARATIVE STATEMENT OF CHANGES IN NET ASSETS

Audited **March 31**

	2003				2002
	Investment in Capital Assets	Wanless Historical Cabin Trust	General Operating Fund	Total Funds	Total Funds
Balance, Beginning of Year	$ 50,327	$ -	$ (22,844)	$ 27,483	$ 20,174
Capital Transactions:					
Capital Asset Addition	1,219		(1,219)	-	-
Amortization	(14,011)		14,011	-	-
Allocation of Restricted Funds from cash		682	-	682	
Excess / (Deficiency) of Revenue over Expenditures	-		25,580	25,580	7,309
Balance, End of Year	$ 37,535	$ 682	$ 15,528	$ 53,745	$ 27,483

(The accompanying notes are an integral part of these financial statements)

1. OPERATIONS

Kelsey Conservation District operates under an established Board of Directors, who self select the positions within the Board. The Kelsey Conservation District was established primarily for the purpose of providing resource programs and planning for sustainable soil and water management within the RM of Kelsey.

The funding for their operations is provided on a Provincial (75%) and Municipal (25%) basis. Additional funds may be obtained through partnerships with external agencies.

2. SIGNIFICANT ACCOUNTING POLICIES

General

In accordance with generally accepted accounting principles, the organization utilized the accrual basis of accounting for all revenues and expenditures.

Fund Accounting

The organization maintains its accounts in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of the available resources are observed. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. A general operating fund is used.

3. ACCOUNTS RECEIVABLE

GST refund	1,139
	$ 1,139

4. ACCOUNTS PAYABLE (NET)

Audit Accrual	401
Homecard	(18)
Linnett/Watershed	1,000
Manitoba Hydro	96
MTS Communications	20
Opasquia Times	(21)
	$ 1,478

5. CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is recorded using the following method and rates as follows with 1/2 of the normal rate being used in the year of acquisition.

Equipment	20%	declining balance
Computer Hardware	30%	declining balance
Computer Software	20%	straight-line
Vehicle	30%	declining balance

	Cost	Accumulated Amortization	Net Book Value 2003	Net Book Value 2002
Equipment	$ 16,852	$ 6,696	$ 10,156	$ 12,696
Computer Hardware	8,022	4,144	3,878	4,059
Computer Software	16,170	11,178	4,992	7,131
Vehicle	29,342	10,833	18,509	26,441
	$ 70,386	$ 32,851	$ 37,535	$ 50,327

6. LONG TERM DEBT

Payable to GMAC Financing in equal monthly installments of $569 including interest at 9.5% per annum. Secured by a vehicle. Loan retired in 2003.

7. STATEMENT OF CASH FLOW

As the organization is reporting on a fund accounting basis, a statement of cash flow has not been included with these financial statements as its inclusion would not provide additional meaningful information.

M. FAYE KOBELKA
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BOX 1228
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AUDITOR'S COMMENTS ON SUPPLEMENTARY INFORMATION

To the Executive of:
KELSEY CONSERVATION DISTRICT

The audited financial statements of Kelsey Conservation District as at March 31, 2003 and my report June 30, 2003 are presented in the preceding section of this report. The supplementary information presented hereafter was derived from the accounting records tested by me as part of the auditing procedures followed in my examination of the financial statements and, in my opinion, they are presented in all material respects in relation to the financial statements taken as a whole.

M Faye Kobelka

M. Faye Kobelka
Certified General Accountant

June 30, 2003
The Pas, MB

KELSEY CONSERVATION DISTRICT

APPENDIX A - SCHEDULE OF COST SHARING (AUDITED)

March 31, 2003

	Total Expenditures	External	Provincial	Local
Administration	$ 92,907	$ -	$ 83,066	$ 9,841
Assets	14,011		12,527	1,484
Programs	17,205		15,383	1,822
Public Education	10,093	-	9,024	1,069
Total Expenditure	$ 134,216	$ -	$ 120,000	$ 14,216
Provincial Grants Received			120,000	
Less: Provincial Share of Expenditure			120,000	
Provincial Excess			$ -	

KELSEY CONSERVATION DISTRICT

APPENDIX B - SCHEDULE OF PROJECT EXPENDITURE

Audited

	March 31	
	2003	2002
PUBLIC EDUCATION		
Public Education	$ 530	$ 1,342
MCDA Convention	1,074	609
Professional Development	5,851	6,385
School Program	300	350
Newsletter / Advertising	2,338	3,171
Partner / Project Signage	-	119
	10,093	11,976
RECREATION		
Cranberry Dock	-	20,000
Wanless Community Grounds	979	-
	979	20,000
SOILS		
Forage Program	2,077	5,540
Tree Planting	40	-
	2,117	5,540
WATER		
Abandoned Wells	-	3,951
Exclusion Fencing	1,024	1,811
Livestock Watering	1,218	3,555
Manure Management	7,726	-
Miscellaneous	35	35
Pature Pipeline	1,276	-
Riparian Rehab	-	1,950
Well Disinfection	62	103
Well Quality Testing	-	134
	11,341	11,539
WILDLIFE		
Artificial Nesting Structures	23	194
Creel	100	-
Fish Stocking	249	-
Fishway Study	2,300	-
Soil Testing	96	-
	2,768	194
TOTAL PROJECT EXPENDITURE	$ 27,298	$ 49,249

Appendix E

LAKE OF THE PRAIRIES CONSERVATION DISTRICT

FINANCIAL STATEMENTS

For the year ended 31st March 2003

Bellas
&
Reid

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
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Bellas & Reid
CHARTERED ACCOUNTANTS

Kenneth W. Bellas, B.Sc., C.A.
204 Rosser Avenue, Brandon, MB R7A 0J9 Phone: (204) 727-5746 Fax: (204) 727-5264

Harold E. Reid, B. Comm. (Hons.), C.A.
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(204) 842-5388

AUDITORS' REPORT

To the Board of Directors:
Lake of the Prairies Conservation District
Inglis, Manitoba

We have audited the balance sheet of **Lake of the Prairies Conservation District** as at **31st March 2003** and the statements of revenue, expenditure and surplus and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at 31st March 2003 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedules of Cost Sharing and Provincial Contributions presented by the District.

Russell, Manitoba
April 17, 2003

Bellas, Reid
CHARTERED ACCOUNTANTS

LAKE OF THE PRAIRIES CONSERVATION DISTRICT

BALANCE SHEET

As at 31st March 2003

	2003	2002
ASSETS		
CURRENT		
Accounts receivable	$	$ 391
GST receivable	103	2,112
Provincial grant receivable (Schedule 2)	10,016	11,249
	10,119	13,752
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 3)	38,703	33,632
PATRONAGE DIVIDENDS	118	118
	$ 48,940	$ 47,502
LIABILITIES		
CURRENT		
Bank indebtedness (Note 4)	$ 1,795	$ 896
Accounts payable	2,234	14,872
Current portion of long term debt	5,046	
	9,075	15,768
LONG-TERM DEBT (Note 5)	1,809	
	10,884	15,768
SURPLUS		
SURPLUS	38,056	31,734
	$ 48,940	$ 47,502

APPROVED BY

________________ Director

________________ Director

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS
For the year ended 31st March 2003

	2003	15 months 2002
REVENUE		
Province of Manitoba grant	$ 75,767	$ 122,249
Municipal grants (Note 8)	26,481	32,262
External funding	15,113	16,972
Interest	547	1,348
Dividend income		118
	117,908	172,949
EXPENDITURE		
Administration	11,270	69,151
Forestry	10,686	26
Other	941	16,361
Program support		80
Public education	40,905	45,295
Soil programs	15,032	5,880
Tourism	1,357	
Water programs	15,971	4,370
Wildlife/fisheries programs	15,424	52
	111,586	141,215
NET INCOME FOR YEAR	6,322	31,734
SURPLUS BEGINNING OF YEAR	31,734	
SURPLUS, SURPLUS END OF YEAR	$ 38,056	$ 31,734

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
For the year ended 31st March 2003

		2003		15 months 2002
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for year	$	6,322	$	31,734
Changes in non-cash working capital (Note 6)		(9,006)		1,120
		(2,684)		32,854
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		(5,070)		(33,632)
Change in other long-term assets				(118)
		(5,070)		(33,750)
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances on long-term debt		15,018		
Repayment of long-term debt		(8,163)		
		6,855		
NET DECREASE IN CASH AND CASH EQUIVALENTS		(899)		(896)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		(896)		
CASH AND CASH EQUIVALENTS, END OF YEAR	$	(1,795)	$	(896)

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended 31st March 2003

1. ENTITY DEFINITION

The Lake of the Prairies Conservation District No. 12 was formed January 1, 2001 to administer and develop programs for the effective management and conservation of the natural resources in the Rural Municipalities of Shellmouth-Boulton, Silver Creek, and Russell, the Town of Russell and Village of Binscarth. Each member municipality appoints local representatives to create a district board. Approximately 75% of the district's annual budget comes from the province while member municipalities contribute 25% of the total in amounts based on their own assessments. The conservation district employs a full-time district manager and a full-time administrator as well as part-time work crews.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. The organization has adopted a policy not to amortize the property, plant and equipment.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. PROPERTY, PLANT AND EQUIPMENT

	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Office equipment	$ 2,855			$ 2,855
Computer equipment	4,783	703		5,486
Machinery	6,194	4,368		10,562
Truck	19,800			19,800
	33,632	5,071		38,703
ACCUMULATED AMORTIZATION				
NET BOOK VALUE	$ 33,632			$ 38,703

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended 31st March 2003

4. BANK INDEBTEDNESS

	2003	2002
Bank overdraft	$ 1,850	$ 901
Petty cash	(55)	(5)
	$ 1,795	$ 896

There is no authorized line of credit. The overdraft has resulted from recorded outstanding cheques which were covered by deposits made subsequent to the year end.

5. LONG-TERM DEBT

	2003	2002
Roblin Credit Union Ltd. - Commercial loan with blended quarterly payments of $1,360 with interest at a rate of prime + 1%. Secured by 1997 Ford truck. Matures April 2005.	$ 6,855	$
	6,855	
Current portion	5,046	
	$ 1,809	$

Principal payments due in the next five years are as follows:

2004	$ 5,046
2005	1,809
2006	
2007	
2008	
	$ 6,855

	2003	2002
Interest expense applicable to term loans	$ 445	$

The prime rate of interest March 31, 2003 is 4.75%.

6. CHANGES IN NON-CASH WORKING CAPITAL

Change in cash from changes in:

		2003		2002
Accounts receivable	$	391	$	(13,752)
Other assets		3,242		
Accounts payable		(12,639)		14,872
	$	(9,006)	$	1,120

7. PRIOR YEAR'S FIGURES

The prior year's figures have been restated to conform to current year's presentation. The comparative figures are based on fifteen months of operations for the Lake of the Prairies Conservation District.

8. MUNICIPAL GRANTS

Grants received from local government involvement in the conservation district were the following:

		2003		2002
R.M. of Shellmouth-Boulton	$	9,223	$	11,521
R.M. of Silver Creek		6,848		8,558
R.M. of Russell		6,795		8,499
Town of Russell		3,363		3,370
Village of Binscarth		252		314
	$	26,481	$	32,262

9. FINANCIAL INSTRUMENTS

Credit risk management

The company is exposed to credit risk on the accounts receivable from its customers. In order to reduce it credit risk, the Company has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The company does not have a significant exposure to any individual customer or counterpart. Its customers are mainly in the farming business.

LAKE OF THE PRAIRIES CONSERVATION DISTRICT

SCHEDULE 1 - SCHEDULE OF COST SHARING

For the year ended 31st March 2003

PROJECTS & PROGRAMS	Cost Share	Total Expenditures	Provincial	Local	External
ADMINISTRATION					
Program support/planning	75/25/00	$ 2,098	$ 1,574	$ 524	$
Office operation	71/24/05	9,172	6,513	2,200	459
		11,270	**8,087**	**2,724**	**459**
PUBLIC EDUCATION					
Project support/planning	75/25/00	27,146	20,359	6,787	
Staff training/pro development	75/25/00	929	698	231	-
Communications/extensions	75/25/00	3,711	2,783	928	
Technical project support	25/08/67	3,753	938	300	2,515
Signage	75/25/00	1,323	992	331	
Advertising	75/25/00	1,295	971	324	
100% board	75/25/00	745	559	186	
MCDA dues	75/25/00	2,000	1,500	500	
		40,902	**28,800**	**9,587**	**2,515**
SOIL PROGRAMS					
Project support/planning	75/25/00	12,834	9,627	3,207	
Winter wheat incentive	75/25/00	224	168	56	
Saline forage demo plot	75/25/00	102	76	26	
Forage reimbursement	12/04/84	1,120	134	45	941
Grassed waterways	75/25/00	752	564	188	
		15,032	**10,569**	**3,522**	**941**
WATER MANAGEMENT					
Project support/planning	75/25/00	12,453	9,341	3,112	
Abandoned wells	75/25/00	909	682	227	
Alternate watering	42/14/44	1,712	719	240	753
Riparian club works	75/25/00	70	53	17	
Pasture pipeline works	38/13/49	696	265	90	341
Daneliuk Spring	75/25/00	130	97	33	
		15,970	**11,157**	**3,719**	**1,094**
FISHERIES					
Project support/planning	75/25/00	5,016	3,762	1,254	
Inglis Beach project	-5/-2/107	5,500	-275	-110	5,885
		10,516	**3,487**	**1,144**	**5,885**
WILDLIFE					
Project support/planning	75/25/00	4,908	3,681	1,227	
		4,908	**3681**	**1,227**	
FORESTRY					
Project support/planning	75/25/00	5,016	3,763	1,253	
Prairie Xeriscape pilot project	19/07/74	5,378	1,022	376	3,980
Celebration of trees	75/25/00	292	219	73	
		10,680	**5,004**	**1,702**	**3,980**
SUBTOTAL		**$ 109,284**	**$ 70,785**	**23625**	**$ 1[illegible]74** Bellas Reid

(Unaudited)

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
SCHEDULE 1 - SCHEDULE OF COST SHARING
For the year ended 31st March 2003

CARRY FORWARD		**$ 109,284**	**$ 70,785**	**23625**	**$ 14,874**
TOURISM					
Project support/planning	75/25/00	27	20	7	
Living by Water workshop	75/25/00	1,330	998	332	
		1,357	**1,018**	**339**	
OTHER					
Project support/planning	75/25/00	941	706	235	
		941	**706**	**235**	
PROPERTY, PLANT AND EQUIPMENT					
Computer equipment	38/13/49	703	267	91	345
Field equipment	38/13/49	767	291	100	376
Field equipment	75/25/00	3,600	2,700	900	
		5,070	**3,258**	**1,091**	**721**
TOTAL EXPENDITURES		**$ 116,652**	**$ 75,767**	**$ 25,290**	**$ 15,595**
			65%	**22%**	**13%**

	2003	2002
Grant - Province of Manitoba	$ 77,000	$ 111,000
Less: Prior year receivable	11,249	
GRANT RECEIVED	65,751	111,000
Less: Provincial allocation	75,767	122,249
RECEIVABLE - PROVINCE OF MANITOBA	$ 10,016	$ 11,249

La Salle Redboine Conservation District

Financial Statements

For the 15 month period ended
March 31, 2003

La Salle Redboine Conservation District

Financial Statements

For the 15 month period ended March 31, 2003

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BDO

BDO Dunwoody LLP
Chartered Accountants
and Consultants
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Portage la Prairie Manitoba Canada R1N 0M4
Telephone: (204) 857-2856
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Telefax: (204) 239-1664

Auditors' Report

To the Members of
La Salle Redboine Conservation District

We have audited the balance sheet of La Salle Redboine Conservation District as at March 31, 2003 and the statement of operations for the 15 month period then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2003 and the results of its operations for the 15 month period then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Portage la Prairie, Manitoba
June 23, 2003

La Salle Redboine Conservation District
Balance Sheet

March 31,		2003
Assets		
Current Assets		
Cash	$	51,504
Accounts receivable		173
Prepaid expenses and deposits		12,632
GST recievable		4,262
	$	68,571
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	$	2,836
Deferred revenue		20,679
		23,515
Net Assets		
Unrestricted net assets		45,056
	$	68,571

On behalf of the Board:

__________ Director

__________ Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

La Salle Redboine Conservation District
Statement of Operations

For the 15 month period ended March 31,		2003
Revenue		
Municipal grants (Note 1)	$	83,200
Province of Manitoba Grant		185,754
Sustainable Communities Innovation Fund		9,611
Prairie Farm Rehabilitation Administration		4,567
RM of Victoria building and land donation		31,200
Interest income		691
		315,023
Expenditures		
Advertising and promotion		9,738
Bank charges and interest		179
Board remuneration		32,237
Building expense		28,900
Insurance		2,280
Land		2,300
Membership dues and subscriptions		1,400
Miscellaneous		1,171
Project supplies		7,501
Office and supplies		39,885
Field equipment		20,299
Professional fees		1,450
Pension expense		600
Pasture management		14,284
Rent		70
Repairs and maintenance		7,304
Salaries and benefits		40,616
Telephone		2,787
Training		8,098
Utilities		1,852
Vehicle and operating		47,016
		269,967
Excess of revenue over expenditures for the 15 month period, being unrestricted net assets	$	45,056

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

La Salle Redboine Conservation District
Summary of Significant Accounting Policies

March 31, 2003

Nature and Purpose of Organization

La Salle Redboine Conservation District was established by an Order-in-Council of the Province of Manitoba on January 30, 2002. The District received funding from the Province of Manitoba and certain municipalities and is governed by a Board of Directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Contributed Materials and Services

Volunteers contribute numerous hours and materials during the period to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services and materials (other than the land and building) are not recognized in the financial statements.

Financial Instruments

The Organization's financial instruments consist of cash, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Capital Assets

Capital assets are not recorded on the balance sheet. Expenditures for capital assets in the period are recorded as expenses.

Pension Plan

The Organization's pension plan is administered by Manitoba Municipal Employee Benefits Program. All expenses consist of the contributions required under the plan.

Use of Estimates

The preparation of financial statements, in accordance with Canadian generally accepted accounting principles, requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

La Salle Redboine Conservation District
Notes to Financial Statements

March 31, 2003

1. Municipal Grants

Municipal grants reported in the Statement of Operations, came from the following sources.

RM of Cartier	$ 8,060
RM of Dufferin	9,100
RM of Grey	7,280
RM of MacDonald	16,900
RM of Portage la Prairie	16,900
RM of Ritchot	1,300
RM of South Norfolk	4,680
RM of Victoria	3,380
City of Portage la Prairie	13,000
Town of Carman	2,080
Village of St. Claude	260
Town of Treherne	260
	$ 83,200

2. Statement of Cash Flows

A statement of cash flows has not been prepared since it would not provide any additional information.

La Salle Redboine Conservation District
Schedule of Cost Sharing

For the 15 month period ended March 31, 2003

	Total Expenditures	External	Provincial	Local
Administration	$ 77,652	$ -	$ 58,239	$ 19,413
Project management	35,810	-	26,858	8,952
Public education	4,654	-	3,490	1,164
Pasture management	14,284	4,567	7,288	2,429
Asset purchases				
GIS software and hardware	9,611	9,611	-	-
Land	2,300	2,300	-	-
Office building	28,900	28,900	-	-
Office equipment	24,772	-	18,579	6,193
Office furniture	1,381	-	1,036	345
Office renovations	7,074	-	5,305	1,769
Field equipment	20,299	-	15,224	5,075
Vehicles	43,230	-	32,422	10,808
	$ 269,967	$ 45,378	168,441	56,148

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2003

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
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MARCH 31, 2003

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MEYERS NORRIS PENNY LLP

The Board of Directors
Little Saskatchewan River Conservation District

AUDITORS' REPORT

We have audited the statement of financial position of Little Saskatchewan River Conservation District as at March 31, 2003 and the statements of operations, changes in net assets and supporting schedules for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP
Chartered Accountants

Brandon, Manitoba
May 15, 2003

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

STATEMENT 1

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2003

	2002	2003
ASSETS		
CURRENT		
Cash	3,364	7,600
Accounts receivable	26,941	14,585
GST receivable	2,197	1,168
Inventory	-	8,963
	32,502	32,316
CAPITAL ASSETS (Note 3)	49,822	40,532
	82,324	72,848
LIABILITIES		
CURRENT		
Bank indebtedness	-	13,690
Accounts payable	17,267	3,375
Deferred revenue	30,063	23,835
Current portion of long-term debt	4,167	4,536
	51,497	45,436
LONG-TERM DEBT (Note 4)	4,550	-
	56,047	45,436
NET ASSETS		
INVESTED IN CAPITAL ASSETS	41,105	35,996
UNRESTRICTED NET ASSETS (DEFICIT)	(14,828)	(8,584)
	26,277	27,412
	82,324	72,848

ON BEHALF OF THE BOARD:

Roy Greer .... DIRECTOR

.... DIRECTOR

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

STATEMENT 2

STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2003

	2002	2003
REVENUES		
Grants		
Province of Manitoba	130,109	119,800
Ducks Unlimited	19,761	45,711
Delta Waterfowl	10,700	3,000
Federal government grants	6,058	18,761
Provincial government grants	-	17,552
External funding	5,000	10,000
Municipal levies (Note 5)	31,812	38,190
Interest	821	38
Land owner contributions	6,570	7,663
Workshops	17,240	2,645
Miscellaneous	7,027	4,226
	235,098	267,586
EXPENSES		
GENERAL BOARD COSTS		
Bank charges and interest	218	851
Computer software	-	4,447
Freight	154	732
Insurance and licences	2,817	2,738
Interest on long-term debt	1,247	741
MCDA dues	5,114	3,000
Meals	4,677	3,084
Miscellaneous	300	98
Newsletters	861	839
Office	8,157	836
Professional fees	1,911	1,911
Rent	-	2,400
Telephone	3,966	5,790
Training	779	1,795
Travel	3,169	3,781
Utilities	-	2,267
Vehicle	3,326	3,640
Wages and benefits	86,312	104,539
	123,008	143,489
PROGRAM DELIVERY COSTS		
Advertising	9,136	13,920
Amortization	13,584	14,493
Board remuneration	12,002	7,531
Forage program	1,629	-
Public education	11,486	7,258
Repairs and maintenance	8,132	11,961
Shelterbelts and salinity program	6,289	1,935
Small dams	1,302	1,398
Water	-	1,548
Well capping	321	2,619
Sub-district programs (Schedule 1)	66,412	60,299
	130,293	122,962
	253,301	266,451
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(18,203)	1,135

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

STATEMENT 3

STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2003

	Total 2002	Invested in Capital Assets	Unrestricted	**Total 2003**
Balance, beginning of year	44,480	41,105	(14,828)	**26,277**
Excess (deficiency) of revenues over expenses	(18,203)	(14,493)	15,628	**1,135**
Investment in capital assets	-	9,384	(9,384)	**-**
Net change	(18,203)	(5,109)	6,244	**1,135**
Balance, end of year	26,277	35,996	(8,584)	**27,412**

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2003

---

1. OPERATIONS

Little Saskatchewan River Conservation District was established by an Order-in-Council of the Province of Manitoba on January 1, 1999. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is provided using the following method and rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows:

	Method	Rate
Computer equipment	straight line	25%
Equipment	straight line	10%
Office equipment	straight line	10%
Truck	straight line	15%

3. CAPITAL ASSETS

	2002	2003		
	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	6,611	27,387	25,024	2,363
Equipment	26,606	32,068	8,669	23,399
Office equipment	2,360	5,556	1,146	4,410
Truck	14,245	25,900	15,540	10,360
	49,822	90,911	50,379	40,532

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2003

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4. LONG-TERM DEBT

	2002	2003
Term loan bearing interest at 8.5%, payable in three annual installments of $4,921.	8,717	4,536
Less: current portion	(4,167)	(4,536)
	4,550	-

Principal repayments are estimated as follows:

2004	4,536

5. MUNICIPAL LEVIES

	2002	2003
Rural Municipality of Blanshard	6,644	7,002
Rural Municipality of Clanwilliam	2,822	2,864
Rural Municipality of Daly	6,518	6,817
Rural Municipality of Harrison	-	5,121
Rural Municipality of Minto	3,400	3,351
Rural Municipality of Odanah	1,292	1,412
Rural Municipality of Saskatchewan	6,133	6,631
Town of Minnedosa	4,083	3,613
Town of Rivers	920	1,217
Town of Rapid City	-	162
	31,812	38,190

6. STATEMENT OF CASH FLOWS

The Statement of Cash Flows has not been presented as it offers no additional information.

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

SCHEDULE 1

SCHEDULE OF EXPENDITURE - SUB-DISTRICT PROGRAMS
YEAR ENDED MARCH 31, 2003

	2002	2003
UPPER OAK RIVER SUB-DISTRICT # 72		
Forage	3,850	7,866
Small dams	4,281	128
Soil	2,250	-
Well capping	3,598	603
Wildlife	4,480	-
	18,459	8,597
CENTRAL LITTLE SASKATCHEWAN RIVER SUB-DISTRICT # 81		
Forage	900	13,092
Small dams	16,695	11,889
Soil	4,250	900
Well capping	3,454	1,514
Wildlife	2,263	-
	27,562	27,395
LOWER LITTLE SASKATCHEWAN RIVER SUB-DISTRICT # 82		
Forage	1,860	19,669
Small dams	5,336	1,548
Soil	6,500	2,000
Well capping	687	1,090
Wildlife	6,008	-
	20,391	24,307
	66,412	60,299

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

SCHEDULE 2

SCHEDULE OF COST SHARING
YEAR ENDED MARCH 31, 2003

	Cost Share			Total Expenditures	Provincial	District	Other	External
ADMINISTRATION								
Office Operation	75%	25%	0%	19,121	14,275	4,758	88	
Sub-Total				19,121	14,275	4,758	88	-
ASSETS								
Computer Equipment	0%	0%	100%	2,597	-	-		2,597
Amortization	0%	100%	0%	14,493		14,493		
Equipment	0%	0%	100%	2,606	-	-		2,606
Sub-Total				19,696	-	14,493	-	5,203
PUBLIC EDUCATION								
Educational Programs	45%	19%	36%	9,278	4,217	1,405	324	3,332
Tours & Workshops	32%	68%	0%	4,662	1,513	504	2,645	-
Advertising	30%	32%	39%	5,605	1,634	633	1,165	2,173
Communications	61%	39%	0%	6,505	3,972	1,324	1,209	-
MCDA	75%	25%	0%	6,399	4,799	1,600	-	-
Project Support/Planning	67%	22%	11%	36,060	23,948	7,982	-	4,130
Sub-Total				68,509	40,083	13,448	5,343	9,635
SOILS								
Forage Seed	11%	4%	85%	40,627	4,463	1,487	-	34,677
Forages in Rotation	0%	0%	0%	-	-	-	-	-
Rotational Grazing	75%	25%	0%	2,500	1,875	625	-	-
Winter Wheat	0%	0%	100%	400			-	400
Drill Lease	0%	0%	100%	523			929	5,000
Alternate Land Use Strategy	75%	25%	0%	39	29	10	-	-
Project Support/Planning	50%	17%	33%	22,330	11,287	3,763	-	7,280
Sub-Total				66,419	17,654	5,885	929	47,357
WILDLIFE/FISHERIES								
Conservation Corridor Signs	0%	0%	100%	1,254			-	1,254
Riparian Partnerships	75%	25%	0%	21	16	5	-	-
Project Support/Planning	60%	20%	20%	21,281	12,863	4,288	-	4,130
Sub-Total				22,556	12,879	4,293	-	5,384
FORESTRY								
Agro Woodlot	75%	25%	0%	36	27	9	-	-
Project Support/Planning	61%	20%	19%	21,281	12,863	4,288	-	4,130
Sub-Total				21,317	12,890	4,297	-	4,130
WATER								
Small Dams	52%	22%	26%	11,395	5,921	1,974	500	3,000
Abandoned Wells	19%	11%	70%	5,825	1,114	371	275	5,509
Runway Stabilization	75%	25%	0%	255	191	64	-	-
Surveying	75%	25%	0%	1,398	1,049	349	-	-
Water Quality Testing	0%	100%	0%	128		128.	-	-
Broughton's Creek Watershed	0%	0%	100%	1,808			-	7,811
Offsite Watering System	0%	100%	0%	1,548		1,498	50	-
Pasture Pipeline	0%	100%	0%	7,309			7,388	-
Warranty	0%	0%	100%	1,915			-	2,864
Project Support/Planning	62%	20%	18%	22,455	13,744	4,581	-	4,130
Sub-Total				54,036	22,019	8,965	8,213	23,314
TOTAL EXPENDITURES	44%	20%	36%	271,654	119,800	56,139	14,573	95,023

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

SCHEDULE 3

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
YEAR ENDED MARCH 31, 2003

PROVINCIAL GRANT, 2002-2003	120,000
LESS: PROVINCIAL GRANT RECEIVABLE, 2001-2002	13,109
	106,891
LESS: 2002-2003 Allocated Grant (Schedule 2)	119,800
PROVINCIAL GRANT RECEIVABLE, 2002-2003	12,909

MID ASSINIBOINE RIVER
CONSERVATION DISTRICT
FINANCIAL STATEMENTS
MARCH 31, 2003

EVANCIC PERRAULT ROBERTSON
CERTIFIED GENERAL ACCOUNTANTS

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

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March 31, 2003

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FIED GENERAL
COUNTANTS

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AUDITORS' REPORT

To the Board of Directors
Mid Assiniboine River Conservation District

We have audited the balance sheet of Mid Assiniboine River Conservation District as at March 31, 2003 and the statements of operations, net assets and cash flows for the fifteen months then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2003 and the results of its operations, net assets and its cash flows for the fifteen months then ended in accordance with generally accepted accounting principles.

Our audit opinion does not extend to the Schedules of Cost Sharing and Provincial Contributions presented by the District.

Evancic Perrault Robertson

EVANCIC PERRAULT ROBERTSON
CERTIFIED GENERAL ACCOUNTANTS

July 16, 2003
Brandon, Manitoba

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

STATEMENT 1

STATEMENT OF OPERATIONS

Fifteen months ended March 31, 2003

Revenue		
Province of Manitoba grant	$	110,000
Municipal levies - note 5		37,876
Prairie Farm Rehabilitation Administration grant		5,000
Miscellaneous		980
		153,856
Expenses		
Advertising and promotion		5,559
Amortization		3,395
Board remuneration		16,157
Computer software		7,056
Database development		1,359
Employee benefits		4,874
Equipment rentals		5,418
Freight		132
Insurance		3,107
Interest and bank charges		72
Meetings and conventions		1,100
Memberships		1,110
Miscellaneous		1,085
Miscellaneous water management expenses		1,330
Office		6,629
Sub-district programs - schedule one		35,133
Rental		1,500
Salaries and wages		37,575
School education and projects		1,048
Staff travel and expenses		5,133
Telephone		2,905
		141,677
Excess revenue over expenses for the period	$	12,179

The accompanying notes are an integral part of these financial statements

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

STATEMENT 2

STATEMENT OF NET ASSETS

Fifteen months ended March 31, 2003

	Invested in Capital Assets	Unrestricted	Total 2003
Balance, beginning of period	$ -	$ -	$ -
Excess (deficit) revenue over expenses	(3,395)	15,574	12,179
Capital assets purchased	24,235	(24,235)	-
Balance, end of period	$ 20,840	$ (8,661)	$ 12,179

The accompanying notes are an integral part of these financial statements

EVANCIC PERRAULT ROBERTSON

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

STATEMENT 3

CASH FLOW STATEMENT

Fifteen months ended March 31, 2003

Cash provided by (used for)		
Operations:		
Earnings from operations	$	12,179
Item not requiring an outlay of funds		
Amortization		3,395
		15,574
Changes in non-cash working capital:		
GST payable (receivable)		(1,729)
		(1,729)
		13,845
Financing:		
Proceeds from long term financing		15,576
Repayment of long term debt		(5,000)
		10,576
Investments:		
Additions to capital assets		(24,235)
		(24,235)
Increase (decrease) in cash		**186**
Cash, beginning of period		-
Cash, end of period	$	**186**

The accompanying notes are an integral part of these financial statements

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

BALANCE SHEET

STATEMENT 4

March 31, 2003

ASSETS		
Current:		
Cash	$	186
Goods and services tax recoverable		1,729
		1,915
Capital assets - note 3		20,840
	$	22,755
LIABILITIES AND NET ASSETS		
Long term debt - note 4	$	10,576
Net Assets		12,179
	$	22,755

Commitment (note 6)

On behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements.

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Fifteen months ended March 31, 2003

1. DESCRIPTION OF OPERATIONS

Mid Assiniboine River Conservation District was established January 2002 and formalized March 1, 2002 under the authority of *The Conservation Districts Act*. Its purpose is to provide for the conservation, control and prudent use of resources through the establishment of Conservation Districts. The program is a partnership between the Province of Manitoba and participating Municipalities. The District is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mid Assiniboine River Conservation District follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Capital assets

Capital assets are stated at cost less accumulated amotization. Amortization is provided at various rates designed to amortize the assets over the estimated useful lives. The amortization rates are follows:

Equipment	20%	straight-line method
Computer equipment	4 years	straight-line method
Office furniture and equipment	20%	straight-line method

3. CAPITAL ASSETS

	Cost	Accumulated amortization	Net book value
Equipment	$ 15,024	$ 1,502	$ 13,522
Computer equipment	6,476	1,619	4,857
Office furniture and equipment	2,734	273	2,461
	$ 24,234	$ 3,394	$ 20,840

4. LONG TERM DEBT

Payable to Empire Welding and Machining Ltd. Balance due by April 1, 2003. Secured by UltraPlow.

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Fifteen months ended March 31, 2003

5. MUNICIPAL LEVIES

Rural Municipality of Cornwallis	$	12,470
Rural Municipality of Elton		13,470
Rural Municipality of Whitehead		11,936
	$	37,876

6. COMMITMENTS

The District entered into a four year operating lease on a 2003 John Deere Zero Till Drill at a commitment of $5,628.29 every October and April 1.

Future minimum payments are:

2004	$	5,628
2005		11,256
2006		11,256
2007		11,256
	$	45,026

7. COMPARATIVE FIGURES

Comparative figures have not been presented as these financial statements represent the first fifteen months of operations.

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

SCHEDULE ONE

SCHEDULE OF EXPENSES - SUB-DISTRICT PROGRAMS

Fifteen months ended March 31, 2003

LITTLE SOURIS SUB-DISTRICT 98A	
Forage seed	$ 1,300
Water development	3,000
Abandoned wells	414
MHHC partnership	1,000
	5,714
LITTLE SOURIS SUB-DISTRICT 98B	
Forage seed	4,410
Water development	15,092
Abandoned wells	1,589
Surface water management	320
	21,411
EPINETTE/WILLOW CREEK SUB-DISTRICT 99A	
Forage seed	4,900
Small dams	138
Water development	2,412
Abandoned wells	508
Water licensing	50
	8,008
	$ 35,133

The accompanying notes are an integral part of these financial statements.

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

SCHEDULE TWO

SCHEDULE OF COST SHARING

Fifteen months ended March 31, 2003

(Unaudited)

	Total Expenditures	Provincial	District		External
			Levies	Other	
ADMINISTRATION					
Program support planning	14,508	10,881	3,627	-	-
Office operation	16,540	12,405	4,135	-	-
	31,048	23,286	7,762	-	-
ASSETS					
Equipment	5,418	314	104	-	5,000
Computer equipment	7,056	5,292	1,764	-	-
Office equipment	3,395	2,546	849	-	-
	15,869	8,152	2,717	-	5,000
PUBLIC EDUCATION					
Project support/planning	2,306	1,730	576	-	-
Public education/advertising	7,707	5,780	1,927	-	-
	10,013	7,510	2,503	-	-
SOILS					
Project support/planning	10,737	8,053	2,684	-	-
Forage assistance	10,610	7,958	2,652	-	-
Saline seed	980	-	-	-	980
MHRC/PFRA funding	1,000	750	250	-	-
	23,327	16,761	5,586	-	980
WATER					
Project support/planning	10,280	7,710	2,570	-	-
New projects/reconstruction	23,701	17,776	5,925	-	-
Surface water	172	129	43	-	-
	34,153	25,615	8,538	-	-
OTHER PROJECT SUPPORT					
Manager wages/expenses	4,618	3,464	1,154	-	-
Board remuneration	16,157	12,118	4,039	-	-
Staff travel/expenses	5,133	3,850	1,283	-	-
Database development	1,359	1,019	340	-	-
	27,267	20,451	6,816	-	-
	$ 141,677	101,775	$ 33,922	$ -	$ 5,980

The accompanying notes are an integral part of these financial statements.

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

SCHEDULE THREE

SCHEDULE OF PROVINCIAL GRANT CONTRIBUTIONS

Fifteen months ended March 31, 2003

(Unaudited)

Provincial grant, 2002-2003	$ 110,000
Less: share of expenses	(101,775)
	$ 8,225

The accompanying notes are an integral part of these financial statements.

PEMBINA VALLEY CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2003

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5	Statement of Changes in Surplus
6	Statement of Revenue and Expenditures
7	Statement of Cash Flows
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12	Schedule of Expenditures
13	Schedule of Cost Sharing

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Winkler, Manitoba
R6W 4A7

AUDITOR'S REPORT

TO THE MEMBERS:
PEMBINA VALLEY CONSERVATION DISTRICT

I have audited the balance sheets of Pembina Valley Conservation District as at March 31, 2003 and the statements of changes in surplus, revenue and expenditures, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Province of Manitoba has not approved the funding of the prior years' over-expenditures. As a result I am unable to confirm or verify by alternative means the unfunded deficit included in the financial statements totalling $99,032. Accordingly, I was not able to determine whether any adjustment might be necessary to unfunded deficit and surplus.

In my opinion, except for the effect of adjustments required by the two preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2003 and the results of its operations and the changes in its surplus and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

CHARTERED ACCOUNTANT INC.

Winkler, Manitoba
May 27, 2003

PEMBINA VALLEY CONSERVATION DISTRICT

BALANCE SHEET

MARCH 31, 2003

ASSETS

	2003	2002
CURRENT		
Cash	$ 62,256	$ 26,504
Accounts receivable	81,555	70,482
Prepaid expenses	5,531	17,261
Inventory	22,455	27,298
	171,797	141,545
UNFUNDED DEFICIT (note 3)	99,032	99,032
CAPITAL (notes 2a and 4)	150,501	150,501
	$ 421,330	$ 391,078

APPROVED BY

Donald J. Alexander Director

____________________ Director

PEMBINA VALLEY CONSERVATION DISTRICT

BALANCE SHEET

MARCH 31, 2003

LIABILITIES

	2003	2002
CURRENT		
Accounts payable and accrued	$ 12,396	$ 832
Unearned revenue (note 5)	33,446	25,427
Current portion of long term debt	7,715	3,749
	53,557	30,008
LONG TERM DEBT	-	7,645
STRATEGIC INFRASTRUCTURE RESERVE FUND	5,000	-
	58,557	37,653

SURPLUS

	2003	2002
SURPLUS (page 5)	362,773	353,425
	$ 421,330	$ 391,078

Credit facilities (note 9)

Commitment (note 10)

PEMBINA VALLEY CONSERVATION DISTRICT

DONATION FUND BALANCE SHEET

MARCH 31, 2003

ASSETS

	2003	2002
CURRENT		
Cash and investment	$ 5,124	$ 6,456

SURPLUS

SURPLUS (note 7)	$ 5,124	$ 6,456

APPROVED BY

Director

Director

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF CHANGES IN SURPLUS

FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002
Surplus, beginning of year	$ 353,425	$ 344,757
Excess of revenue over expenditures	9,348	8,668
SURPLUS, END OF YEAR (note 6)	$ 362,773	$ 353,425

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002
REVENUE		
Provincial grants		
Rural Development	$ 270,000	$ 250,000
Municipal levies		
Rural Municipality of Lorne	25,811	26,864
Rural Municipality of Louise	19,267	19,369
Rural Municipality of Pembina	24,180	22,285
Rural Municipality of Roblin	6,967	8,260
Rural Municipality of Thompson	13,638	11,763
Town levies		
Village of Crystal City	361	386
Village of Manitou	777	680
Village of Pilot Mound	515	459
Other funding - external	57,479	53,878
- local	15,200	5,300
GIS partnership	-	3,000
Manitoba Disaster Assistance	42,003	-
Manitoba Agriculture	8,000	13,000
Rural water development program - PFRA	35,000	32,817
Watershed Restoration Action Strategy - water testing	12,648	6,879
Other income	23,993	16,781
Interest income	1,144	2,851
Other (note 11)	14,748	49,750
	571,731	524,322
EXPENDITURES (page 12)	562,383	515,654
EXCESS OF REVENUE OVER EXPENDITURES	$ 9,348	$ 8,668

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenditures	$ 9,348	$ 8,668
Changes in non-cash working capital (note 8)	25,083	(75,101)
Cash flows from (used in) operating activities	34,431	(66,433)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term debt	-	14,000
Repayment of long term debt	(3,679)	(2,608)
Transfer to reserve fund	5,000	-
Cash flows from (used in) financing activities	1,321	11,392
NET INCREASE (DECREASE) IN CASH	35,752	(55,041)
Cash at beginning of year	26,504	81,545
CASH AT END OF YEAR	$ 62,256	$ 26,504

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2003

1. PURPOSE OF THE ORGANIZATION

The Pembina Valley Conservation District was incorporated under the laws of the Province of Manitoba in October, 1989. It was established primarily for the purpose of providing programs and education for the conservation of soil and water. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the organization.

a) **Capital assets**

Effective with the fiscal year ending March 31, 2001, it is the District's policy to expense capital assets in the year of purchase. Amortization is no longer being provided for in the District's records.

b) **Income taxes**

Pembina Valley Conservation District is a non-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

c) **Inventory**

Inventory is recorded at the lower of cost and net realizable value. Cost is determined on a specific item basis.

3. UNFUNDED DEFICIT

The unfunded deficit represents expenditures incurred in years prior to 2002 that exceeded amounts for which funding was received from the Province. Expenditures are normally cost-shared with the Province.

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2003

4. CAPITAL ASSETS

	2003		2002	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land	**$ 53,532**	**$ -**	$ 53,532	$ -
Building	**45,853**	**5,964**	45,853	5,964
Field equipment	**84,663**	**61,281**	84,663	61,281
Office furniture and equipment	**36,031**	**22,322**	36,031	22,322
Surveying equipment	**3,658**	**2,712**	3,658	2,712
Vehicles	**36,052**	**17,009**	36,052	17,009
	259,789	**109,288**	259,789	109,288
Cost less accumulated amortization		**$ 150,501**		$ 150,501

5. UNEARNED REVENUE

	2003	2002
Environmental Youth Club	**$ 3,312**	$ -
Fisheries Enhancement funds	**5,661**	10,685
Moffatt memorial fund reserve	**330**	-
Rural Municipality of Lorne levy	**6,473**	6,453
Rural Municipality of Louise levy	**4,839**	4,817
Rural Municipality of Pembina levy	**6,072**	-
Rural Municipality of Roblin levy	**1,767**	1,741
Rural Municipality of Thompson levy	**3,415**	-
Town of Manitou levy	**672**	777
Village of Cartwright levy	**94**	-
Village of Crystal City levy	**367**	439
Village of Pilot Mound levy	**444**	515
	$ 33,446	$ 25,427

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2003

6. SURPLUS

The surplus has two components: a current surplus and a capital asset surplus. The current surplus is equal to current assets plus the unfunded deficit minus liabilities and reserve. This money, which totalled $212,272 at March 31, is available to fund ongoing operations. The capital asset surplus is equal to the net book value of capital assets which totalled $150,501 at March 31. This surplus is not readily available to fund current operations.

7. DONATION FUND SURPLUS

Changes to the donation fund surplus during the year were as follows:

	2003	2002
Interest earned	$ 8	$ 254
Expenditures - trophies and scholarship	(584)	(587)
Unrealized loss on investment	(756)	-
Decrease for the year	$ (1,332)	$ (333)

8. CHANGES IN NON-CASH WORKING CAPITAL

	2003	2002
Increase (decrease) in cash from changes in:		
Accounts receivable	$ (11,073)	$ (39,891)
Prepaid expenses	11,730	(13,029)
Inventory	4,843	(4,112)
Accounts payable and accrued	11,564	(16,639)
Due to donation fund	-	(104)
Unearned revenue	8,019	(1,326)
	$ 25,083	$ (75,101)

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2003

9. CREDIT FACILITIES

The District has arranged for a line of credit authorized to a maximum of $30,000. Security consists of a promissory note and an assignment of book debts. Interest is charged at prime plus 1%.

10. COMMITMENT

Under the terms of an equipment lease the District is committed to payments of $684 every three months. The lease expires in March, 2005.

11. OTHER REVENUE

		2003		2002
Agri-Food Research and Development Initiative	$	-	$	9,750
Manitoba Agriculture - Covering new ground		14,000		20,000
Manitoba Conservation - Enviro Youth Corporation		748		-
Manitoba Special Conservation Fund		-		20,000
	$	14,748	$	49,750

PEMBINA VALLEY CONSERVATION DISTRICT

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002
OPERATING		
Audit and legal	$ 1,082	$ 1,015
Ducks Unlimited program	12,504	27,587
Insurance	2,643	1,839
Interest and bank charges	573	664
Inventory adjustment	1,379	1,328
Office	14,268	18,945
PFRA programs	28,339	21,300
Public education	65,645	67,187
Repairs, maintenance and fuel	19,907	10,727
Soils miscellaneous	48,047	65,997
Soil projects	13,130	18,743
Telephone	2,980	3,505
Wages and benefits	78,410	78,589
Water management/planning	2,288	-
Water projects	228,762	171,904
Wildlife projects	22,318	22,414
	542,275	511,744
CAPITAL		
Building	3,678	-
Equipment	7,274	2,952
Vehicle	4,156	958
	15,108	3,910
Transfer to Strategic Infrastructure Reserve Fund	5,000	-
	$ 562,383	$ 515,654

PEMBINA VALLEY CONSERVATION DISTRICT

SCHEDULE OF COST SHARING

FOR THE YEAR ENDED MARCH 31, 2003

	Total		District		
	Expenditures	Provincial	Levies	Other	External
ADMINISTRATION					
Program support & planning	$ 20,000	$ 15,000	$ 5,000	$ -	$ -
Office operation	20,300	10,791	3,065	6,444	-
	40,300	25,791	8,065	6,444	-
PUBLIC EDUCATION	62,713	17,373	5,791	2,454	37,095
SOILS MISCELLANEOUS	55,372	21,654	7,218	-	26,500
WILDLIFE/FISHERIES	29,273	5,333	1,778	-	22,162
WATER					
Multi-purpose projects	282,275	166,915	55,638	2,000	57,722
Well filling	18,387	2,728	909	4,550	10,200
Water management	44,862	7,293	2,431	9,220	25,918
	345,524	176,936	58,978	15,770	93,840
TOTAL	533,182	247,087	81,830	24,668	179,597
OTHER					
Inventory	(3,466)	(5,918)	(1,973)	4,425	-
Equipment/building repairs	22,823	15,857	5,286	-	1,680
Transfer to S.I.R.F.	5,000	3,750	1,250	-	-
	24,357	13,689	4,563	4,425	1,680
TOTAL EXPENDITURES	$ 557,539	$ 260,776	$ 86,393	$ 29,093	$ 181,277
TOTAL EXPENDITURES (%)	100	47	15	5	33

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/PAYABLE
FOR THE YEAR ENDED MARCH 31, 2003

LESS: 2001-2002 Provincial Grant Receivable	$ (9,989)
PROVINCIAL GRANT, 2002-2003	270,000
	260,011
LESS: 2002-2003 Allocated Grant	(260,776)
PROVINCIAL GRANT REMAINING/OVERSPENT	$ (765)

2002 MUNICIPAL LEVY - $91,516

Appendix J

SEINE-RAT RIVER CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2003

MNP

MNP
MEYERS NORRIS PENNY LLP

To the Board
Seine-Rat River Conservation District

AUDITORS' REPORT

We have audited the statement of financial position of **Seine-Rat River Conservation District** as at **March 31, 2003** and the statement of operations for the year ended March 31, 2003. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2003 and the results of its operations for the period then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP
Chartered Accountants

June 24, 2003

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BAKER TILLY
INTERNATIONAL

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SEINE-RATE RIVER CONSERVATION DISTRICT

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MARCH 31, 2003

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SEINE-RAT RIVER CONSERVATION DISTRICT

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2003

ASSETS

	2002	2003
Current		
Cash	5,189	**7,947**
Provincial grant receivable	-	**18,709**
Prepaid expenses	-	**1,288**
	5,189	**27,944**
Capital Assets		
Computer software	5,591	**14,937**
Office furniture	3,905	**5,815**
	9,466	**20,752**
	14,685	**48,696**

LIABILITIES

	2002	2003
Current		
Accounts payable	1,727	**3,365**
Provincial grants	2,596	**-**
Deferred revenue	-	**12,800**
	4,323	**16,165**

NET ASSETS

	2002	2003
Unrestricted Net Assets		
Balance, beginning of year	-	**10,362**
Excess of revenues over expenses	10,362	**22,169**
Balance, end of year	10,362	**32,531**
	14,685	**48,696**

On Behalf of the Board:

Connie Goertzen Director

Jean Gagnon Director

SEINE-RAT RIVER CONSERVATION DISTRICT

STATEMENT OF OPERATIONS
MARCH 31, 2003

	2002	2003
REVENUES		
Grant		
Province of Manitoba	27,404	**106,305**
Levy		
Rural Municipality of LaBroquerie	10,000	**28,300**
Land Owners	-	**45,000**
Career Start Program	-	**878**
	37,404	**180,483**
EXPENSES		
General and Administration		
Bank charges	35	**229**
Goods and services tax	704	**2,022**
Membership	-	**500**
Office	740	**2,323**
Professional fees	-	**935**
Rent	-	**2,140**
Telephone	469	**3,714**
Wages and benefits	6,757	**20,655**
	8,705	**32,518**
Program Costs		
Advertising	364	**3,049**
Beaver management	-	**560**
Board remuneration	4,350	**6,536**
Brushing	-	**10,599**
Crossing management	-	**626**
Drainage	9,186	**42,956**
Education	-	**4,092**
Fuel and mileage	1,552	**2,371**
Grassed waterways	-	**6,514**
Management plans	-	**1,886**
Miscellaneous	571	**331**
Pasture management	-	**2,000**
Riparian program	-	**5,095**
Staff development	2,314	**2,975**
Wages and benefits	-	**33,533**
Water management	-	**2,673**
	18,337	**125,796**
Total Expenses	27,042	**158,314**
EXCESS OF REVENUES OVER EXPENSES	10,362	**22,169**

1. OPERATIONS

The Seine-Rat River Conservation District was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing programs and education for the conservation of soil, water and wildlife. The District receives funding from the Province of Manitoba and the Rural Municipality of LaBroquerie and is governed by a board of directors from the municipality involved in the Conservation District. The District is exempt from income taxes.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is not recorded.

3. SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

The Conservation District follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

SEINE-RAT RIVER CONSERVATION DISTRICT

SCHEDULE OF COST SHARING
MARCH 31, 2003

Schedule 1

	Total Expenditures	Provincial	District	External
Administration	32,518	8,700	15,881	7,937
Public Education	36,421	27,316	9,105	-
Soils	17,762	11,737	3,912	2,113
Wildlife	2,220	1,137	379	704
Water	65,005	47,381	15,794	1,830
Crossing and flood protection	4,388	1,592	531	2,265
	158,314	97,863	45,602	14,849
Assets				
Computer software	9,346	7,010	2,336	-
Office furniture	1,910	1,432	478	-
	169,570	106,305	48,416	14,849

SEINE-RAT RIVER CONSERVATION DISTRICT

SCHEDULE OF PROVINCIAL GRANT PAYABLE
MARCH 31, 2003

Schedule 2

Provincial Grant, 2002 - 2003	85,000
Plus: Grant payable	2,596
	87,596
Less: 2002-2003 Allocated Grant – Schedule 1	106,305
Provincial Grant Receivable	18,709

Appendix K

Tiger Hills Conservation District

Auditors' Report and Financial Statements

March 31, 2003

Collins Barrow
Chartered Accountants

Collins Barrow
Chartered Accountants

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Auditors' Report

To the Members
Tiger Hills Conservation District

We have audited the balance sheet of Tiger Hills Conservation District as at March 31, 2003 and the statements of revenue and expenditures and surplus and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2003 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Canada
June 18, 2003

Collins Barrow
CHARTERED ACCOUNTANTS

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Tiger Hills Conservation District

Financial Statements
March 31, 2003

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Tiger Hills Conservation District

Balance Sheet

March 31, 2003

	2003	2002
Assets		
Current assets		
Cash and short term investments	$ 3,063	$ 1,223
Accounts receivable (note 3)	9,143	3,559
	$ 12,206	$ 4,782
Liabilities		
Current liabilities		
Accounts payable and accrued charges	$ 5,223	$ 2,472
Surplus		
Surplus	6,983	2,310
	$ 12,206	$ 4,782

Approved By the Board:

J Bolock., Director

M L Sigvaldason, Director

Tiger Hills Conservation District

Statement of Revenue and Expenditures and Surplus
For The Year Ended March 31, 2003

	12 Months 2003	15 Months 2002
Revenue		
Municipal levies		
Rural Municipality of Argyle	$ 10,702	$ 11,897
Rural Municipality of Glenwood	9,531	9,484
Rural Municipality of South Cypress	7,042	8,300
Rural Municipality of Strathcona	6,001	6,602
Village of Glenboro	743	946
	34,019	37,229
Provincial grants	94,829	125,528
Sales of services	4,165	2,784
Canada Employment	2,002	1,650
Donations		1,527
PFRA	3,500	5,984
Ducks Unlimited	5,678	4,602
Covering New Ground	1,375	1,125
Sustainable Development Initiative	1,500	
Partner and landowner contributions	260	400
Miscellaneous	464	140
Interest income	80	1,125
	147,872	182,094
Expenditures - Schedule 1.		
Program management	34,607	47,006
Public education	2,019	10,851
District programs	75,505	69,414
Project support	13,887	9,761
Equipment purchases	17,181	42,752
	143,199	179,784
Excess of revenue over expenditures	4,673	2,310
Surplus, beginning of the year	2,310	
Surplus, end of the year	$ 6,983	$ 2,310

Tiger Hills Conservation District

Statement of Cash Flows

For The Year Ended March 31, 2003

	12 Months 2003	15 Months 2002
Cash Provided By (Used For)		
Operating activities		
Excess of revenue over expenditures	$ 4,673	$ 2,310
Changes in non-cash working capital		
Increase in accounts receivable	(5,584)	(3,559)
Increase in accounts payable	2,751	2,472
Increase in cash and short term investments	1,840	1,223
Cash and short term investments, beginning of the year	1,223	
Cash and short term investments, end of the year	$ 3,063	$ 1,223

Tiger Hills Conservation District

Notes to the Financial Statements

March 31, 2003

1. Nature of Activities

The Conservation District operates under the authority of The Conservation Districts Act and Regulations.

The mandate of The Conservation District is to promote the sustainable use and management of the land, water and related resources in the municipalities of Argyle, Glenwood, South Cypress and Strathcona and the Village of Glenboro.

2. Significant Accounting Policies

Inventories

Inventories of materials and supplies are not taken into account. Such items are expensed in the year purchased.

Income Taxes

Tiger Hills Conservation District is a non-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

Property, Plant and Equipment

It is the District's policy to expense property, plant and equipment in the year of purchase.

3. Accounts Receivable

	2003	2002
Province of Manitoba - grant	$ 7,357	$ 2,528
Goods and services tax	1,356	1,001
Sale of services	430	30
	$ 9,143	$ 3,559

Schedule 1.

Tiger Hills Conservation District

Schedule of Expenditures

For The Year Ended March 31, 2003

	12 Months 2003	15 Months 2002
Program Management		
Advertising and promotion	$ 7,640	$ 1,781
Audit and legal	792	
Bank charges and interest	273	964
Board expenses (100%)		8
Board remuneration and expenses	5,126	14,051
Building expense	138	51
Insurance	423	146
MCDA fees	3,724	1,600
Manager's expenses	974	1,195
Office operation	61	835
Printing, postage and stationery	2,497	1,782
Unallocated salaries, wages and benefits	8,424	20,986
Staff training	504	
Utilities	4,031	3,159
Custom work		397
Equipment maintenance		51
	34,607	47,006
Public Education	2,019	10,851
District Programs - Schedule 2.	75,505	69,414
Project support	13,887	9,761
Equipment purchases		
GIS software - 100% province		17,000
Other	17,181	25,752
	17,181	42,752
	$143,199	$179,784

Tiger Hills Conservation District

Schedule of District Programs
For The Year Ended March 31, 2003

	Elgin Creek	Pelican/ Rock Lake	Upper Oak	Lower Oak	Central Assiniboine	**12 Months 2003 Total**	15 Months 2002 Total
Abandoned wells	$ 1,209	$ 1,213	$ 1,271	$ 2,361	$ 807	**$ 6,861**	$ 18,355
Alternate water/pasture pipeline	862	862	808	862	808	**4,202**	11,935
Beaver management	807	1,173	807	807	807	**4,401**	
Community trees	900	1,103	1,103	1,124	2,334	**6,564**	
Forage seed	861	4,671	4,061	1,861	1,661	**13,115**	13,964
Grassed waterways	1,524	807	1,602	807	807	**5,547**	
Mole leveling/pasture management	1,189	1,189	1,189	1,638	1,189	**6,394**	3,514
Salinity solutions	1,657	807	807	807	809	**4,887**	
Shoreline stabilization	808	808	808	808	862	**4,094**	
Well rehabilitation	1,159	1,133	1,123	1,244	1,123	**5,782**	10,536
Wildlife and fisheries management	807	807	807	807	925	**4,153**	
Winter wheat	861	2,461	2,061	1,261	2,861	**9,505**	11,110
	$ 12,644	$ 17,034	$ 16,447	$ 14,387	$ 14,993	**$ 75,505**	$ 69,414

Schedule 3

Tiger Hills Conservation District

Schedule of Cost Sharing
For The Year Ended March 31, 2003

	Total Expenditures	External	Provincial	Local Levy
Program Management				
General	$ 34,607	$ 2,002	$ 24,454	$ 8,151
Other		2,264		(2,264)
	34,607	4,266	24,454	5,887
Public Education	2,019	80	1,454	485
District Programs				
Abandoned wells	6,861	4,550	1,733	578
Alternate water/pasture pipelines	4,202		3,152	1,050
Beaver management	4,401		3,301	1,100
Community tree	6,564		4,923	1,641
Forage seed	13,115	975	9,105	3,035
Grassed waterways	5,547		4,160	1,387
Mole leveling/pasture management	6,394		4,796	1,598
Salinity solutions	4,887		3,665	1,222
Shoreline stabilization	4,094	1,375	2,039	680
Well rehabilitation	5,782	340	4,082	1,360
Wildlife and fisheries management	4,153		3,115	1,038
Winter wheat	9,505	3,679	4,369	1,457
	75,505	10,919	48,440	16,146
Project support	13,887	1,760	9,095	3,032
Equipment purchases	17,181	2,000	11,386	3,795
	$143,199	$ 19,025	$ 94,829	$ 29,345
Total Expenditures	100%	13%	69%	21%

Reconciliation of provincial grant receivable

Provincial grant receivable, March 31, 2002	$ 2,528
Provincial share of expenses for the year	94,829
Less: Grant received	(90,000)
Provincial grant receivable, March 31, 2003	$ 7,357

Appendix L

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

FINANCIAL STATEMENTS

MARCH 31, 2003

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

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MARCH 31, 2003

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NOTES TO THE FINANCIAL STATEMENTS

SCHEDULE 1 - SCHEDULE OF COST SHARING

SCHEDULE 2 - SCHEDULE OF PROVINCIAL GRANT RECEIVABLE

MNP
MEYERS NORRIS PENNY LLP

The Board
Turtle Mountain Conservation District No. 4

AUDITORS' REPORT

We have examined the statement of financial position of the Turtle Mountain Conservation District No. 4 as at March 31, 2003 and the statement of operations and surplus for the General Board Program, Sub-District Program, Equipment Program #1, Equipment Program #2, Equipment Reserve and Schedules of Cost Sharing and Provincial Grant Receivable for the year then ended. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

As explained in Note 2, the statement of operations has not combined the transactions of the Sub-District Programs, Equipment Programs or Reserve Funds with those of the General Board Program. Had a statement of operations included the combined results of all of the funds, the excess of revenues over expenses would have shown $8,888 (2002, $939).

In our opinion, except that the statement of operations does not combine the results of all funds as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the district as at March 31, 2003 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP.
Chartered Accountants

June 5, 2003
Virden, Manitoba

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MANAGEMENT'S RESPONSIBILITY

To the Board of Directors of Turtle Mountain Conservation District No. 4:

Management has the responsibility for preparing the accompanying financial statements and ensuring that information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian generally accepted accounting principles.

In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Board of Directors is composed entirely of directors who are neither management nor employees of the organization.

External auditors are appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both management and the Board to discuss their audit findings.

C. W. Snyder
Chairperson

Hainsworth
Secretary-Treasurer

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 1

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2003

	2003	2002
ASSETS		
CURRENT		
Cash and short term investments	377,282	394,256
Accounts receivable (Note 3)	12,674	28,320
Inventory	2,893	5,800
Prepaid expenses	360	-
	393,209	428,376
CAPITAL ASSETS (Note 4)	103,398	81,764
	496,607	510,140
LIABILITIES		
CURRENT		
Accounts payable	14,962	10,551
Unearned revenue	19,752	46,584
	34,714	57,135
SURPLUS (DEFICIENCY)		
GENERAL BOARD PROGRAM	257,251	230,730
SUB-DISTRICT PROGRAM	116,094	110,684
EQUIPMENT PROGRAM #1	2,671	(3,795)
EQUIPMENT PROGRAM #2	53,877	83,386
EQUIPMENT RESERVE	32,000	32,000
	461,893	453,005
	496,607	510,140

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 2

GENERAL BOARD PROGRAM
STATEMENT OF OPERATIONS AND SURPLUS
YEAR ENDED MARCH 31, 2003

	2003	2002
REVENUE		
Province of Manitoba	183,130	173,544
Municipal levies	53,771	52,443
Ducks Unlimited	21,514	13,250
Interest	6,082	11,532
Land rental	3,388	2,285
Miscellaneous	2,173	5,000
Recreation Committee	384	260
Soils Committee	18,492	23,701
Agricultural Sustainability Initiative	-	13,268
Canadian Nature Federation	2,500	-
Direct charges	318	275
Dylan Biggs Workshops	1,195	-
Local Wildlife Groups	7,600	-
Manitoba Habitat Heritage	2,375	-
Manitoba Wildlife Federation	13,500	-
Municipal Grants	5,665	-
Natural Resources	3,000	500
Pembina River Basin Advisory Board	3,036	6,400
Outside funding	-	39,193
Special Conservation Fund – Bolduc Property	5,000	-
Donation of land – Poole (Note 5)	29,900	-
Donation of website (Note 5)	200	-
Transfer from sub-district program	6,281	4,868
Transfer from Equipment Program #2	34,856	-
	404,360	346,519

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 2

GENERAL BOARD PROGRAM
STATEMENT OF OPERATIONS AND SURPLUS
MARCH 31, 2003

	2003	2002
EXPENSES		
Administrative - general	**52,588**	68,796
- local	**955**	180
Board and committee remuneration	**23,582**	21,028
Amortization - office equipment	**5,523**	5,820
- program support equipment	**1,393**	11,263
- field equipment	**6,888**	1,076
Direct expenses	**318**	-
District supervisor - salary	**-**	23,313
- expenses	**2,266**	2,833
Loss on disposal of equipment	**1,116**	-
Professional education and development	**1,529**	100
Program support assistant	**4,373**	5,635
Public relations	**123**	389
Special Programs		
Forage Seed Assistance	**44,433**	87,581
Public Education	**56,872**	27,588
Important Bird Area	**5,165**	-
Shelterbelt Program	**31,720**	40,144
Soils – Program Support	**16,326**	-
Wildlife Habitat Improvement Program	**5,468**	2,789
Land Management	**5,200**	7,127
Dylan Biggs Workshops	**1,563**	-
Habitat Purchase – Webster	**38,120**	-
Habitat Purchase – Bolduc	**18,420**	-
Habitat Donation – Poole	**29,900**	-
Storage shed – property	**10,445**	-
Salinity Barrier Program	**4,214**	2,100
Waterfowl Habitat Lease Program	**2,750**	2,750
No-Till Program	**1,200**	3,200
Holistic Resource Management Course	**-**	5,315
Pembina River Basin Advisory Board	**5,389**	8,486
Hog manure – ASI	**-**	4,716
Straw cover – ASI	**-**	7,300
Saline seeding and Plot Tour – ASI	**-**	1,252
	377,839	340,781
EXCESS OF REVENUE OVER EXPENSES	**26,521**	5,738
SURPLUS - Beginning of year	**230,730**	224,992
SURPLUS - End of year	**257,251**	230,730

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 3

SUB-DISTRICT PROGRAM
STATEMENT OF OPERATIONS AND SURPLUS
YEAR ENDED MARCH 31, 2003

	WAKOPA	UPPER PEMBINA	WEST ARTHUR	WASKADA CREEK	MEDORA CREEK	CHAIN LAKES	ELGIN CREEK WH. LAKE	**TOTAL 2003**	TOTAL 2002
REVENUE									
Municipal levies	8,414	8,540	2,685	7,226	6,009	2,148	7,184	**42,206**	43,534
Province of Manitoba	21,912	26,746	5,777	14,387	11,671	7,866	18,753	**107,112**	138,332
Program Revenue	1,002	488	87	935	100	1,797	1,495	**5,904**	3,710
Ducks Unlimited	1,900	1,800	700	2,000	1,600	500	1,500	**10,000**	-
Disaster Financial Ass. – EMO	-	-	-	-	-	-	-	**-**	2,087
Land Rental Revenue	300	60	-	-	-	1,301	-	**1,661**	975
NRCAN	2,200	2,200	770	1,870	1,540	550	1,870	**11,000**	-
PFRA	522	348	87	348	174	347	174	**2,000**	-
Sustainable Dev. Innov. Fund	5,000	-	-	-	-	-	-	**5,000**	2,265
Municipal grants	916	-	-	-	-	-	-	**916**	2,800
Green Team	-	-	-	-	-	-	-		2,250
	42,166	40,182	10,106	26,766	21,094	14,509	30,976	**185,799**	195,953
EXPENSES									
Runway Stabilization	95	-	654	4,979	2,885	-	-	**8,613**	53,093
Water storage	402	2,598		801	131	6,000	2,695	**12,627**	37,922
Salaries/Engineering	13,215	12,433	4,604	10,886	10,370	3,899	13,165	**68,572**	46,066
Habitat/Riparian	-	-	-	-	-	-	2,000	**2,000**	2,801
Killarney Lake Curtain	-	-	-	-	-	-	-	**-**	2,265
Killarney Lagoon	5,917	-	-	-	-	-	-	**5,917**	-
Other	1,744	10,868	620	2,831	1,772	3,048	5,430	**26,313**	18,575
Well sealing	4,240	2,194	867	2,186	849	641	793	**11,770**	11,773
Road allowance	948	10,433	1,504	-	275	-	756	**13,916**	17,778
Winter Wheat Program	635	-	-	-	-	-	-	**635**	-
Access Ramps/ Remote Watering	10,573	1,031	-	1,436	693	-	3,012	**16,745**	7,244
Dylan Biggs Workshops	1,000	1,000	1,500	1,500	2,000	-	-	**7,000**	-
Transferred to Board Program	2,604	-	-	-	-	1,485	2,192	**6,281**	4,868
	41,373	40,557	9,749	24,619	18,975	15,073	30,043	**180,389**	202,385
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	793	(375)	357	2,147	2,119	(564)	933	**5,410**	(6,432)
SURPLUS - Beginning of year	14,438	27,819	4,288	(1,305)	31,966	10,451	23,027	**110,684**	117,116
SURPLUS - End of year	15,231	27,444	4,645	842	34,085	9,887	23,960	**116,094**	110,684

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 4

EQUIPMENT PROGRAM #1
STATEMENT OF OPERATIONS AND SURPLUS
YEAR ENDED MARCH 31, 2003

	2003	2002
REVENUE		
Equipment revenue	14,793	6,850
Gain on disposal of equipment	3,819	-
	18,612	6,850
EXPENSES		
Repairs and maintenance	8,161	3,431
Amortization	2,818	4,535
License and insurance	1,167	1,085
	12,146	9,051
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	6,466	(2,201)
DEFICIENCY - Beginning of year	(3,795)	(1,594)
SURPLUS (DEFICIENCY) - End of year	2,671	(3,795)

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 5

EQUIPMENT PROGRAM #2
STATEMENT OF OPERATIONS AND SURPLUS
YEAR ENDED MARCH 31, 2003

	2003	2002
REVENUE		
Equipment revenue	42,485	41,501
Gain on disposal of equipment	1,278	-
	43,763	41,501
EXPENSES		
Insurance and licences	1,626	2,199
Repairs and maintenance	36,790	35,468
Transfer to General Board Program	34,856	
	73,272	37,667
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(29,509)	3,834
SURPLUS - Beginning of year	83,386	79,552
SURPLUS - End of year	53,877	83,386

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 6

EQUIPMENT RESERVE
STATEMENT OF OPERATIONS AND SURPLUS
YEAR ENDED MARCH 31, 2003

	2003	2002
REVENUE	-	-
EXPENSES	-	-
EXCESS OF REVENUE OVER EXPENSES	-	-
SURPLUS - Beginning of year	32,000	32,000
SURPLUS - End of year	32,000	32,000

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2003

NOTE 1 – OPERATIONS

The Turtle Mountain Conservation District was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing resource programs and planning for sustainable soil and water management. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes under the *Income Tax Act*.

NOTE 2 - ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles except that a summary statement combining the operations of all funds has not been provided, and recommended terminology by the Canadian Institute of Chartered Accountants Handbook has not all been adopted. Significant accounting policies include the following:

REVENUE RECOGNITION

The Turtle Mountain Conservation District No. 4 follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

INVENTORY

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

CAPITAL ASSETS

Capital assets are recorded at cost. Donated capital assets are recorded at estimated fair market value. Proceeds of disposals, less carrying values of these assets, are reported in the statements of operations as gains or losses on disposal. Amortization is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows:

		Method	Rate
Office equipment		straight-line	15%
Field equipment	- machinery	straight-line	10%
	- vehicles	straight-line	15%
Program support equipment		straight-line	10%

EQUIPMENT GRANTS

Claims for assistance under various equipment grant programs are reflected as revenue in the period in which eligible expenses are incurred.

MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2003

NOTE 3 – ACCOUNTS RECEIVABLE

	2003	2002
Trade	4,266	3,030
GST	2,347	1,640
Province of Manitoba (Schedule 2)	2,730	12,488
Emergency Measures Organization	-	2,087
Other Programs	3,331	9,075
	12,674	28,320

NOTE 4 – CAPITAL ASSETS

	2003			2002
	Cost	Accumulated Amortization	**Net Book Value**	Net Book Value
Office equipment	48,509	20,014	**23,495**	24,375
Field equipment - machinery	167,668	152,485	**15,183**	33,599
- vehicles	87,005	40,730	**46,275**	13,747
Program support equipment	19,192	5,747	**13,445**	10,043
	322,374	218,976	**103,398**	81,764

NOTE 5 – CONTRIBUTED CAPITAL ASSETS

During the year, land ($29,900) and website ($200) were donated to the District. The donations have been recorded in the accounts of the District at estimated fair market value.

NOTE 6 - FINANCIAL INSTRUMENTS

The company, as part of its operations, carries a number of financial instruments. It is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

NOTE 7 – STATEMENT OF CASH FLOW

The Statement of Cash Flow has not been provided as it would not provide additional useful information.

NOTE 8 – LEASE COMMITMENTS

The organization occupies leased premises on a month to month basis. Minimum quarterly payments are $1,838.

NOTE 9 – COMMITMENTS

The organization has entered into an agreement with estimated minimum annual payments as follows:

2004	1,640
2005	749
2006	452

NOTE 10 – INCOME TAXES

The organization is registered as a charitable organization under the *Income Tax Act* (the "*Act*") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the *Act*, the Turtle Mountain Conservation District No. 4 must meet certain requirements within the *Act*. In the opinion of management, these requirements have been met.

NOTE 11 – COMPARATIVE FIGURES

Certain of the current year figures are not comparable with the 2002 comparative figures as the District has adopted the Province of Manitoba's guidelines to classify salaries and costs related to the projects as the District deems appropriate.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent to the date of the financial statements, the District accepted the tender to construct a 42' x 72' shop for a total cost of $122,709 to be completed by the end of August, 2003.

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

SCHEDULE 1

SCHEDULE OF COST SHARING
YEAR ENDED MARCH 31, 2003

	Total Expenditures	Provincial	District		External
			Levies	Other	
ADMINISTRATION					
General	54,654	40,990	13,664	-	-
Other	1,278	-	-	1,278	-
	55,932	40,990	13,664	1,278	-
ASSETS					
Land	10,445	-	-	10,445	-
Office Equipment	10,859	6,082	2,027	2,750	-
Program Support Equip./Mach.	7,303	5,477	1,826	-	-
Equipment/Vehicles	36,341	1,114	371	34,856	-
Inventory	529	396	133	-	-
Prepaid Expenses	360	-	-	360	-
Amortization	13,804	1,183	394	12,227	-
Loss on Disposal of Equipment	1,116	-	-	1,116	-
	80,757	14,252	4,751	61,754	-
PUBLIC EDUCATION					
Education	83,406	57,878	19,293	1,162	5,073
Important Bird Area	5,165	-	-	-	5,165
Ducks Unlimited – On the Go	2,950	-	-	-	2,950
	91,521	57,878	19,293	1,162	13,188
SOILS					
Forage Assistance	44,434	22,988	7,663	13,783	-
Shelterbelt Program	31,719	20,191	6,730	4,798	-
Land Management	5,200	3,900	1,300	-	-
No-Till Program	1,200	-	-	-	1,200
Salinity Barrier Program	4,214	-	-	-	4,214
PRBAB-Headwaters Region	5,389	1,765	588	-	3,036
Dylan Biggs Workshops	1,563	276	92	1,195	-
Direct Expense	318	-	-	318	-
Project Support	16,326	12,244	4,082	-	-
	110,363	61,364	20,455	20,094	8,450
WILDLIFE					
Wildlife Habitat	634	-	-	-	634
Waterfowl Habitat Lease	2,750	-	-	-	2,750
Habitat Purchases	56,541	9,731	3,244	-	43,566
Habitat Donation	29,900	-	-	29,900	-
Project Support	4,834	3,626	1,208	-	-
	94,659	13,357	4,452	29,900	46,950

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

SCHEDULE 1

SCHEDULE OF COST SHARING
YEAR ENDED MARCH 31, 2003

	Total Expenditures	Provincial	District Levies	District Other	External
WATER					
Maintenance	11,005	6,276	2,092	2,637	-
Reconstruction/New Projects	10,235	5,750	1,917	2,568	-
Salaries/Engineering	68,572	35,679	11,893	-	21,000
Habitat/Riparian Protection	2,000	1,455	485	60	-
Well sealing	11,770	6,132	2,044	1,594	2,000
Road Allowance	13,916	9,789	3,263	864	-
Access Ramps/Remote Watering	16,745	11,859	3,952	934	-
Education	7,000	5,250	1,750	-	-
Other	32,865	20,211	6,737	-	5,917
	174,108	102,401	34,133	8,657	28,917
	607,340	290,242	96,748	122,845	97,505

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

SCHEDULE 2

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
YEAR ENDED MARCH 31, 2003

PROVINCIAL GRANT, 2002 - 2003	300,000
LESS, 2001 - 2002 Provincial Grant Receivable	12,488
	287,512
LESS, 2002 - 2003 Allocated Grant (Schedule 1)	290,242
PROVINCIAL GRANT RECEIVABLE, 2002 - 2003	2,730

Appendix M

AUDITOR'S REPORT

To the Board of Directors of the Turtle River Watershed Conservation District:

We have audited the statement of financial position of Turtle River Watershed Conservation District #2 as at March 31st, 2003 and the other statements, being statement "1" to "6" inclusive which covers the year then ended. These financial statements are the responsibility of the board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Watershed as at March 31st, 2003 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Zaplitny + Zamrykut

ZAPLITNY & ZAMRYKUT,
Chartered Accountants

Paul Brunel

Paul Brunel, TRWCD Chairperson

Denis Maguet

Denis Maguet, TRWCD Vice Chairperson

DAUPHIN, Manitoba
June 4th, 2003

STATEMENT "1"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF FINANCIAL POSITION
As at March 31st, 2003 and 2002

	General Board Fund	Flood Protection Reserve Fund	Emergency Reserve Fund	Land Development Reserve Fund	Equipment Reserve Fund	Infra-structure Reserve	2003 Total	2002 Total
Current Assets -								
Cash on Hand and in Bank	$ 105,844						105,844	37,552
Short Term Investments		3,449					3,449	3,449
Accounts Receivable-Note 3	24,218						24,218	56,434
Prov of Man Receivable-Note 2	9,196						9,196	22,448
Prepaid Expenses	6,070						6,070	624
Inventory	98,246						98,246	94,673
Total Current Assets	243,574	3,449					247,023	215,180
Capital Assets-Note 4	45,197						45,197	63,006
Total	$ 288,771	3,449					292,220	278,186
Current Liabilities -								
Accounts Payable-Note 5	$ 4,065						4,065	17,861
Labour Crew Surcharge	6,926						6,926	2,850
Prepaid Levy and Grant	1,322						1,322	1,328
Prepaid Grant	13,811						13,811	8,000
Due To(From) Other Funds	108,521	(9,476)	(21,669)	(324)	(72,252)	(4,800)		
Total Current Liabilities	134,645	(9,476)	(21,669)	(324)	(72,252)	(4,800)	26,124	30,039
Fund Balances -								
Invested in Capital Assets	45,197						45,197	63,006
Internally Restricted		12,925	21,669	324	72,252	4,800	111,970	78,582
Unrestricted	108,929						108,929	106,559
	154,126	12,925	21,669	324	72,252	4,800	266,096	248,147
Total	$ 288,771	3,449	NIL	NIL	NIL	NIL	292,220	278,186

(The accompanying notes are an integral part of these financial statements)

STATEMENT "2"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF CHANGES IN NET ASSETS
As at March 31st, 2003 and 2002

		General Board Fund	Flood Protection Reserve Fund	Emergency Reserve Fund	Land Development Reserve Fund	Equipment Reserve Fund	Infra-structure Reserve Fund	2003 Total	2002 Total
Net Assets, Beginning of Year	$	169,565	13,782	15,534	324	48,942		248,147	222,788
Excess of Revenue Over/(Under) Expenditures		(3,773)							
Transfer (To)/From Other Funds		(10,078)	(857)	6,135		23,310	4,800	19,537	25,063
Inventory Adjustment		(1,588)						(1,588)	296
Net Assets, End of Year	$	154,126	12,925	21,669	324	72,252	4,800	266,096	248,147

(The accompanying notes are an integral part of these financial statements)

STATEMENT "3"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2
GENERAL BOARD FUND

STATEMENT OF OPERATIONS
For the Years Ended March 31st, 2003 and 2002

	2003	2002
Revenue -		
Municipal Levies & Grants	$ 153,599	161,602
Province of Manitoba Allocated Grant-Statement "5"	386,748	418,848
Other Grants	59,776	31,724
Custom Work	10,562	28,339
Land Owner Revenue	902	13,894
Interest Income	932	558
Other Income	1,192	1,806
Gain (Loss) on Disposal of Asset	(1,624)	
	612,087	656,771
Expenditures -		
Board Remuneration	20,403	17,367
Administration	20,760	21,117
Wages and Benefits	90,782	87,375
Staff Expenses	13,088	11,949
DFO Summer Student	6,574	
Office Rent	7,453	7,453
Annual Dinner Expense	719	
MCDA Dues	4,500	1,500
Public Education	9,921	4,191
Custom Work and Spray	10,562	28,339
Cows & Creeks Workshop	964	
Forage Assistance		12,761
Wildlife Incentive	366	
Grassed Waterway	4,377	16,496
Land Management Services	8,377	418
Drain Cleanouts	119,482	123,511
Brushing and Spraying	57,840	33,598
General Maintenance	29,156	34,733
On-Site	2,695	
Union Expenses	34,617	23,335
DNR Surveying	2,310	
CN Right of Way		7,720
Crossing Repairs	29,177	6,982
Crossing Replacements	53,202	25,624
Program Evaluation	508	2,260
Consultant Fees	22,415	22,539
Labour Crew Costs	19,753	18,296
Shed Expenses	2,035	2,353
Bank Stabilization	3,916	12,198
Erosion Control	13,423	
Plastic Mulch Program	424	558
Abandoned Well Sealings	4,328	
Legal Surveys	624	20,608
Spring Run-off Damages		56,413
Sustainable Development		17,427
S.R.F.P.S.	857	12,193
Depreciation Expense	20,252	25,048
	615,860	654,362
Excess Revenues Over/(Under) Expenditures	$ (3,773)	2,409

(The accompanying notes are an integral part of these financial statements)

STATEMENT "4"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2
EQUIPMENT RESERVE FUND

STATEMENT OF OPERATIONS
For the Years Ended March 31st, 2003 and 2002

		2003	2002
Revenues -			
Truck	$	35,571	31,495
Tractor		9,275	9,525
Labour Crew Tools and Equipment		2,813	2,927
Trailer		25	950
		47,684	44,897
Expenditures -			
Truck		20,738	17,201
Tractor		2,145	3,061
Labour Crew Tools and Equipment		812	796
Trailer		679	1,185
		24,374	22,243
Excess of Revenue Over/(Under) Expenditures	$	23,310	22,654

(The accompanying notes are an integral part of these financial statements)

STATEMENT "5"

TURTLE RIVER WATERSHED CONVERSATION DISTRICT #2

STATEMENT OF CASH FLOWS
For the Years Ended March 31st, 2003 and 2002

	2003	2002
Cash Provided by (Used in) Operating Activities -		
Excess of Revenue Over/(Under) Expenditure	$ 19,537	25,063
Non-Cash Items included in Expenditures:		
Amortization	20,252	25,048
Loss on Disposal of Asset	1,624	
Inventory Adjustment	(1,588)	296
	39,825	50,407
Changes in Non-Cash Working Capital Components -		
Accounts Receivable	32,216	(26,539)
Province of Manitoba Receivable	13,252	(18,848)
Prepaid Expenses	(5,446)	52
Inventory	(3,573)	11,046
Accounts Payable	(13,796)	(5,653)
Labour Crew Surcharge	4,076	(6,214)
Prepaid Levy and Grant	5,805	8,006
	32,534	(38,150)
Investing -		
Purchase of Capital Assets	(4,067)	(7,070)
Increase (Decrease) in Cash	68,292	5,187
Cash, Beginning of Year	37,552	32,365
Cash, End of Year	$ 105,844	37,552

(The accompanying notes are an integral part of these financial statements)

STATEMENT "6"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

SCHEDULE OF PROVINCIAL CONTRIBUTIONS
For the Year Ended March 31st, 2003

	Total	% Shareable Prov/District or External	Provincial Share	District & Other Share
Office Salaries	$ 90,782	75/25	68,087	22,695
Staff Expenses	13,087	75/25	9,815	3,272
Employee Union Contract	6,156	75/25	4,617	1,539
Union Expenses (Lawyer)	28,461	75/25	21,346	7,115
Office Operations	28,213	69/31	19,603	8,610
Cows & Creeks Workshop	964	75/25	723	241
Dinner Expense	719	75/25	539	180
Public Education	9,921	53/47	5,510	4,411
MCDA Dues	4,500	75/25	3,375	1,125
Pgm Evl & Summer Std.	508	75/25	381	127
Misc. LC Costs	21,788	75/25	16,341	5,447
DFO Student	6,574	0/100	(740)	7,314
On-Site	2,694	75/25	2,021	673
Board Remuneration	20,403	75/25	15,302	5,101
Grassed Waterway	4,377	75/25	3,283	1,094
Plastic Mulch Program	424	75/25	318	106
Wildlife Incentive Program	366	14/86	53	313
Escarpmental Erosion Control	13,423	33/67	4,442	8,981
Bank Stabilization	3,916	75/25	2,937	979
Abandoned Well Sealing	4,328	0/100		4,328
General Maintenance	29,156	75/25	21,867	7,289
Consultant Retainer	22,415	75/25	16,811	5,604
Drain Cleanouts	119,482	75/25	89,612	29,870
Spraying	941	75/25	706	235
Brushing	56,899	75/25	42,674	14,225
Crossing Repairs	29,177	75/25	21,883	7,294
Crossing Replacement	53,202	2/98	1,188	52,014
Land Mgnt Services	8,377	75/25	6,283	2,094
Legal Surveys	624	75/25	468	156
DNR Surveying	2,310	75/25	1,732	578
S.R.F.P.S.	857	0/100		857
Custom Work & Spray	10,562	0/100		10,562
Depreciation Expense	20,252	0/100		20,252
Inventory Sales	(29,500)	75/25	(22,125)	(7,375)
Inventory Purchases	37,853	75/25	28,390	9,463
Brushcutter	495	75/25	371	124
Scanner	220	75/25	165	55
Manager Computer	2,088	0/100		2,088
Lexmark Printer	275	75/25	206	69
Digital Camera	990	75/25	742	248
Consignment Sale Revenue	(2,904)	75/25	(2,178)	(726)
Total	$ 625,375		386,748	238,627

(The accompanying notes are an integral part of these financial statements)

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

NOTES TO FINANCIAL STATEMENTS
March 31st 2003

1. Significant Accounting Policies -

The financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.

Investments -

Investments are recorded at the lower of cost and net realizable value.

Capital Assets -

Capital Assets are recorded at cost and depreciation is provided for in the accounts calculated on the Straight-Line basis in accordance with their useful life on the following basis:

Office Equipment	15%
Computer Equipment	20%
Storage Yard Fence	5%
Tools & Equipment	20%
Building	4%
Truck	25%
Tractor	20%
Leasehold Improvements	Amortized over remaining term of lease of 36 months

Income Taxes -

Turtle River Conservation District is a not-for-profit organization and is exempt from income taxes under Section 149 of the Income Tax Act.

Revenue Recognition -

The financial statements have been prepared following the deferral method of accounting for contributions. Restricted contributions are recognized in the year to which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Measurement Uncertainty -

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Inventory -

Inventory is valued at the lower of cost or market on a first in first out basis.

2. Accounts Receivable - Province of Manitoba -

	2003	2002
Amount at Beginning of Year	$ 22,448	3,600
Add - Allocated to Watershed Programs - General Board	386,748	418,848
	409,196	422,448
Less - Grant Received	400,000	400,000
Balance, End of Year	$ 9,196	22,448

3. Accounts Receivable -

	2003	2002
Forage Customers	$	9,766
GST Recoverable	5,402	7,371
Rural Municipalities and Villages	18,136	37,519
Canada Savings Bonds	680	720
Other		1,058
	$ 24,218	56,434

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

NOTES TO FINANCIAL STATEMENTS
March 31st, 2003

4. Fixed Assets -

		Cost	Accumulated Depreciation	2003 Book Value	2002 Book Value
Office Equipment & Computers	$	42,859	35,793	7,066	7,268
Fence		4,863	4,539	324	568
Trucks		87,146	77,320	9,826	17,687
Tools		23,568	23,131	437	NIL
Building		28,213	15,189	13,024	14,153
Plastic Mulcher		1,469	1,469	NIL	50
Tractor, Drill, Sprayer		54,981	42,481	12,500	18,500
Trailers		5,312	5,208	104	417
Leasehold Improvements		7,143	5,555	1,588	3,968
L.C. Water Tank		452	124	328	395
	$	256,006	210,809	45,197	63,006

5. Accounts Payable -

		2003	2002
Forage Seed	$		12,052
Trade Payables		1,050	962
O/S Land Issues		3,015	3,015
Other			1,832
	$	4,065	17,861

6. Land Acquisitions -

In accordance with district policy, land acquisitions are expensed in the year purchased. For information purposes, inventories of land parcels owned by the district are as follows:

Description	Purchase Date		Purchase Price
N 1/2 of 31-23-17WPM	Dec 19/86	$	21,500
SE 1/4 of 27-20-14WPM	Mar 14/88		7,500
SW 1/4 of 19-22-17WPM	June 28/89		20,000
NE 1/4 22-20-14WPM	April 8/91		8,800
SW 1/4 24-23-18WPM	Aug 10/90		22,500
S 1/2 of 22-22-14WPM	May 2/89		13,000
NE 1/4 of 1-22-14WPM	Mar 8/91		10,000
SW 1/4 of 8-24-17WPM	Apr 27/92		14,500
PT of SE of 20-24-17WPM	Sept 8/94		4,132
NW of 30-23-17WPM	1996		17,500
SE 1/4 of 25-23-18WPM	May 1/96		17,500
NE 1/4 25-23-18WPM	1997		25,000
NW 1/4 25-25-18WPM	1997		25,000
PT of N1/2 24-23-18WPM	1998		10,700

Appendix N

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

FINANCIAL STATEMENTS

For the year ended 31st March 2003

Bellas
&
Reid

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
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Bellas & Reid
CHARTERED ACCOUNTANTS

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Harold E. Reid, B. Comm. (Hons.), C.A.
Box 610, Russell, MB R0J 1W0 Phone: (204) 773-2106 Fax: (204) 773-3410
(204) 842-5388

AUDITORS' REPORT

To the Board of Directors:
Upper Assiniboine River Conservation District No. 8
Miniota, Manitoba

We have audited the balance sheet of **Upper Assiniboine River Conservation District No. 8** as at **31st March 2003** and the statements of revenue, expenditure and surplus and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at **31ST MARCH 2003** and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Provincial Contributions presented by the District.

Russell, Manitoba
June 20, 2003

Bellas Reid
CHARTERED ACCOUNTANTS

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
BALANCE SHEET
For the year ended 31st March 2003

	2003	2002
ASSETS		
CURRENT		
Cash	$ 93,799	$ 83,494
Accounts receivable	52,462	55,743
GST receivable	4,174	2,239
Provincial grant receivable (Note 9)	5,469	1,608
Inventories (Note 2)	1,385	1,674
Prepaid expenses	2,834	2,330
	160,123	147,088
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 3)	92,209	75,056
PATRONAGE DIVIDENDS	2,156	770
	$ 254,488	$ 222,914
LIABILITIES		
CURRENT		
Accounts payable	$ 84,079	$ 79,337
SURPLUS		
SURPLUS	170,409	143,577
	$ 254,488	$ 222,914

APPROVED ON BEHALF OF THE BOARD:

Leonard Sitko Director

Ron Bryant Director

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS

For the year ended 31st March 2003

	2003	2002
REVENUE		
Grant - Province of Manitoba	$ 243,861	$ 219,160
Municipal grants (Note 6)	83,276	66,416
Landowner	48,778	47,048
External Funding	49,662	62,571
Interest	6,230	4,071
	431,807	399,266
EXPENDITURE		
Wildlife	4,800	5,903
Office operation	41,234	58,873
Public education	69,775	109,412
Soil programs	112,774	79,518
Water programs	176,392	108,417
	404,975	362,123
NET INCOME FOR YEAR	26,832	37,143
SURPLUS, BEGINNING OF YEAR	143,577	106,434
SURPLUS, END OF YEAR	$ 170,409	$ 143,577

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

STATEMENT OF CASH FLOWS

For the year ended 31st March 2003

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for year	$ 26,832	$ 37,143
Changes in non-cash working capital (Note 4)	2,013	(41,166)
	28,845	(4,023)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(17,154)	(13,507)
Change in other long-term assets	(1,386)	
	(18,540)	(13,507)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,305	(17,530)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	83,494	101,024
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 93,799	$ 83,494

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
For the year ended 31st March 2003

1. ENTITY DEFINITION

The Upper Assiniboine River Conservation District No. 8 was formed in 1996 to aid in the conservation of natural resources in the Municipalities of Archie, Birtle, Ellice, Hamiota, Miniota, Rossburn, Shoal Lake, Wallace and Woodworth.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventory is valued at the lower of cost and net realizable value determined by the first-in, first-out method.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. The organization is no longer recording amortization for property, plant and equipment.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. PROPERTY, PLANT AND EQUIPMENT

	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Office equipment	$ 33,860	635		$ 34,495
Automotive equipment	36,953			36,953
Trailer equipment	2,580			2,580
Surveying equipment	14,513	2,130		16,643
Water testing equipment	3,636			3,636
Pipeline plow	5,981			5,981
Watering demonstration system		14,388		14,388
	97,523	17,153		114,676
ACCUMULATED AMORTIZATION				
Office equipment	8,393			8,393
Automotive equipment	11,473			11,473
Trailer equipment	210			210
Surveying equipment	2,073			2,073
Water testing equipment	318			318
	22,467			22,467
NET BOOK VALUE	$ 75,056			$ 92,209

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
For the year ended 31st March 2003

4. CHANGES IN NON-CASH WORKING CAPITAL

Change in cash from changes in:

	2003	2002
Accounts receivable	$ 3,281	$ (44,653)
Inventories	289	1,450
Prepaid expenses	(504)	(1,493)
Other assets	(5,796)	515
Deferred expenses		(138)
Accounts payable	4,743	3,153
	$ 2,013	$ (41,166)

5. PRIOR YEAR'S FIGURES

The prior year's figures have been restated to conform to current year's presentation.

6. MUNICIPAL GRANTS

Grants received from local government involvement in the conservation district were the following:

	2003	2002
R.M. of Archie	$ 5,664	$ 8,666
R.M. of Birtle	11,608	10,298
R.M. of Ellice	5,479	4,672
R.M. of Hamiota	9,763	8,644
R.M. of Miniota	9,405	8,546
R.M. of Rossburn	6,465	6,324
R.M. of Shoal Lake	7,149	6,733
R.M. of Wallace	12,440	
R.M. of Woodworth	12,989	10,156
Town of Birtle	614	600
Town of Rossburn	311	386
Town of Shoal Lake	913	915
Village of Hamiota	476	476
	$ 83,276	$ 66,416

7. REGISTERED CHARITY

Upper Assiniboine River Conservation District No. 8 is now a registered charity. The conservation district is now capable of issuing out charitable donation receipts. There is no change to the GST method of reporting and the rebate allowed still falls under municipal government at 57.14%.

8. FINANCIAL INSTRUMENTS

Credit risk management

The company is exposed to credit risk on the accounts receivable from its customers. In order to reduce it credit risk, the Company has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The company does not have a significant exposure to any individual customer or counterpart. Its customers are mainly in the farming business.

9. PROVINCIAL GRANT RECEIVABLE/PAYABLE

	2003	2002
Grant - Province of Manitoba	$ 240,000	$ 220,000
Less: Prior year receivable	1,608	2,448
GRANT RECEIVED	238,392	217,552
Less: Provincial allocation	243,861	219,160
RECEIVABLE - PROVINCE OF MANITOBA	$ 5,469	$ 1,608

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO.8

SCHEDULE OF PROVINCIAL CONTRIBUTIONS

For the year ended 31st March 2003

PROJECTS & PROGRAMS	Total Expenditures	External	Landowner	Provincial	Levies
PROGRAM MANAGEMENT					
Program support/planning	19,287			14,465	4,822
Office operation	21,947		187	16,320	5,440
	41,234		187	30,785	10,262
PUBLIC EDUCATION					
Project support/planning	35,740			26,805	8,935
Advert/promo/trainer wkshp	17,714	6,471		8,432	2,811
Signage/annual supper/parade	5,125	770		3,266	1,089
Education/demonstrations	8,196	4,934		2,447	815
MCDA dues	3,000			2,250	750
	69,775	12,175		43,200	14,400
SOIL PROGRAMS					
Project support/planning	35,940	6,342		22,198	7,400
Winter cereals	5,802	4,000		1,352	450
Forage seed	61,653		30,613	23,280	7,760
Bovines and shorelines	710			532	178
No till drill/pipeline plow	2,408		1,549	645	214
Rotational grazing - fencing	4,500			3,375	1,125
Forage plots/shelterbelts	1,761		278	1,112	371
	112,774	10,342	32,440	52,494	17,498
WATER MANAGEMENT					
Project support/planning	73,891	5,000	4,879	48,009	16,003
Abandoned wells	15,946		1,389	10,918	3,639
Livestock crossing	22,360		4,902	13,093	4,364
Grassed runways/gully	22,504	5,500	2,306	11,024	3,675
Small dams/shale traps/other	22,635	2,000	924	14,783	4,928
Alternative watering system	14,721			11,041	3,680
Maintenance	4,335			3,251	1,084
	176,392	12,500	14,400	112,119	37,373
WILDLIFE					
Salinity seed	4,800	4,800			
SUBTOTAL	**404,975**	**39,817**	**47,027**	**238,598**	**79,533**
ASSETS PURCHASED					
Watering demonstration system	14,389	9,846		3,407	1,136
GPS/digital camera	2,765			2,074	691
Inventory adjustment	-290			-217	-73
	16,864	9,846		5,264	1,754
TOTAL EXPENDITURE	**421,839**	**49,663**	**47,027**	**243,862**	**81,287**

Appendix O

WEST SOURIS RIVER CONSERVATION DISTRICT

FINANCIAL STATEMENTS
MARCH 31, 2003

WEST SOURIS RIVER CONSERVATION DISTRICT

INDEX TO THE FINANCIAL STATEMENTS

MARCH 31, 2003

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MANAGEMENT'S RESPONSIBILITY

To the Board of Directors of West Souris River Conservation District:

Management has the responsibility for preparing the accompanying financial statements and ensuring that information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian generally accepted accounting principles.

In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Board of Directors is composed entirely of directors who are neither management nor employees of the organization.

External auditors are appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both management and the Board to discuss their audit findings.

Glen Campbell
Manager

Ina Cook
Financial Administrator

MNP
MEYERS NORRIS PENNY LLP

The Board of Directors
West Souris River Conservation District

AUDITORS' REPORT

We have examined the statement of financial position of the West Souris River Conservation District as at March 31, 2003 and the statements of operations and related schedules for the year then ended. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The statement of operations has not combined the transactions of the bursary fund or other restricted funds with those of the Revenue fund. Had the statement of operations included the changes in net assets restricted for bursary purposes and the changes in other internally restricted net assets, the excess of expenses over revenues would have been $5,878 ($5,164 in 2002).

In our opinion, except that the statement of operations does not include the changes in internally restricted net assets or changes in net assets restricted for bursary purposes as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the district as at March 31, 2003 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP
Chartered Accountants

July 3, 2003
Virden, Manitoba

an independent member of
BAKER TILLY
INTERNATIONAL

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WEST SOURIS RIVER CONSERVATION DISTRICT

STATEMENT 1

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2003

	2002	2003
ASSETS		
CURRENT		
Cash	34,205	**27,147**
Accounts receivable (Note 3)	26,279	**71,729**
Inventory	1,514	**2,444**
Prepaid expenses	6,474	**-**
	68,472	**101,320**
CASH - RESTRICTED	23,544	**23,598**
CAPITAL ASSETS (Note 4)	211,774	**224,419**
OTHER		
Patronage equity account	1,305	**1,359**
	305,095	**350,696**
LIABILITIES		
CURRENT		
Accounts payable and accruals	58,201	**70,772**
Deferred revenue	25,854	**40,653**
Current portion of long-term debt	4,612	**9,321**
	88,667	**120,746**
LONG-TERM DEBT (Note 5)	92,122	**111,522**
NET ASSETS		
UNRESTRICTED NET ASSETS (NOTE 6)		
Balance - Beginning of year	18,976	**68,042**
Excess of expenses over revenues	5,278	**5,932**
	13,698	**62,110**
Donated capital assets	54,344	**-**
Balance - End of year	68,042	**62,110**
INTERNALLY RESTRICTED NET ASSETS (Note 7)	32,720	**32,720**
NET ASSETS RESTRICTED FOR BURSARY PURPOSES (Note 8)	23,544	**23,598**
	305,095	**350,696**

ON BEHALF OF THE BOARD:

.... DIRECTOR

.... DIRECTOR

WEST SOURIS RIVER CONSERVATION DISTRICT

STATEMENT 2

STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2003

	2002	2003
REVENUES		
Grants (Note 9)	290,214	**263,896**
Municipal Levies (Note 10)	41,300	**67,024**
Programs	110,849	**72,119**
Employment projects	2,270	**2,407**
Equipment rental	12,595	**13,403**
Interest and patronage allocations	1,217	**724**
Other	13,153	**17,731**
TOTAL REVENUES	471,598	**437,304**
EXPENSES		
General and administration		
Bad debts	368	**-**
Heat, light and water	1,664	**1,722**
Insurance and licences	5,280	**-**
Interest and bank charges	18	**4**
Interest - long-term debt	7,703	**8,648**
Memberships	3,000	**3,000**
Office	10,832	**13,450**
Professional fees	860	**839**
Property taxes	509	**289**
Telephone	6,227	**5,503**
Wages and employee benefits	74,955	**6,456**
	111,416	**39,911**
Program delivery costs		
Advertising	9,276	**8,832**
Amortization	28,842	**30,533**
Board remuneration	6,272	**8,034**
Equipment lease	11,528	**-**
Equipment maintenance	8,915	**-**
Forage Program	70,614	**44,822**
Project support/planning	-	**32,527**
Public education - general	5,575	**3,460**
- other	1,202	**7,477**
Repairs and maintenance	317	**-**
Seminar and conferences	10,130	**10,093**
Shelterbelts and salinity program	3,599	**-**
Staff expenses	260	**-**
Truck	9,080	**-**
Wages and employee benefits	32,749	**-**
Sub-district programs (Schedule 1)	166,966	**257,967**
	365,325	**403,745**
TOTAL EXPENSES	476,741	**443,656**
LOSS FROM OPERATIONS	5,143	**6,352**
OTHER INCOME (EXPENSE)		
Gain (loss) on disposal of capital assets	135	**(420)**
EXCESS OF EXPENSES OVER REVENUES	5,278	**5,932**

MNP

WEST SOURIS RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2003

NOTE 1 - OPERATIONS

The West Souris River Conservation District was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing programs and education for the conservation of soil, water and wildlife. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes under the *Income Tax Act*.

NOTE 2 - ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles except that a summary statement combining the operations of the Revenue fund, the Bursary fund and the restricted funds has not been provided and recommended terminology by the Canadian Institute of Chartered Accountants Handbook has not been adopted. Significant accounting policies include the following:

REVENUE RECOGNITION

West Souris River Conservation District follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

INVENTORY

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

CAPITAL ASSETS

Capital assets are recorded at cost. Donated equipment is recorded at estimated fair market value. Proceeds of disposals, less carrying values of these assets, are reported in the statement of operations as gains or losses on disposal. Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Building	straight-line	5%
Equipment - self-propelled	straight-line	15%
- pull-type	straight-line	10%
- office	straight-line	10%

WEST SOURIS RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2003

NOTE 2 - ACCOUNTING POLICIES CONTINUED

CAPITAL ASSET GRANTS

Claims for assistance under various capital asset grant programs are reflected as revenue in the period in which eligible expenses are incurred.

MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

NOTE 3 - ACCOUNTS RECEIVABLE

	2002	**2003**
Trade accounts	20,176	**64,803**
Province of Manitoba (Schedule 3)	1,265	**3,687**
Other	4,838	**3,239**
	26,279	**71,729**

NOTE 4 - CAPITAL ASSETS

	2002	2003		
	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Building	110,194	129,338	25,610	**103,728**
Equipment - self-propelled	5,884	93,141	62,015	**31,126**
- pull-type	70,263	94,311	33,265	**61,046**
- office	25,433	55,497	26,978	**28,519**
	211,774	372,287	147,868	**224,419**

MNP

WEST SOURIS RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2003

NOTE 5 - LONG-TERM DEBT

	2002	2003
Note payable in quarterly instalments of $2,007 including interest at 6.0%, secured by a truck having a net book value of $29,247, due June 30, 2007.	-	**28,721**
Debenture payable in annual instalments of $11,987 including interest at 7.625%, secured by land and building having a net book value of $99,396 ($105,608 in 2002), due December 1, 2014.	96,734	**92,122**
	96,734	**120,843**
Less: Current portion	4,612	**9,321**
	92,122	**111,522**

Principal repayments are estimated as follows:

2003	9,321
2004	12,057
2005	12,876
2006	13,752
2007	9,617

NOTE 6 - UNRESTRICTED NET ASSETS

The unrestricted net assets are the total assets and liabilities of the Revenue Fund. These net assets include working capital, equipment and respective long-term debt.

	2002	2003
Operating deficit	(56,591)	**(56,318)**
Equity in capital assets	124,633	**118,428**
	68,042	**62,110**

NOTE 7 - INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets are derived from the donation of equipment to the conservation district from a previous organization.

	2002	2003
Board equity	32,720	**32,720**

NOTE 8 - NET ASSETS RESTRICTED FOR BURSARY PURPOSES

	2002	**2003**
Balance - Beginning of year	23,430	**23,544**
Add: Interest	1,114	**1,054**
	24,544	**24,598**
Less: Scholarships paid	(1,000)	**(1,000)**
Balance - End of year	23,544	**23,598**

The principal portion of the bursary is restricted, only interest earned on the principal amount may be paid out as bursaries.

NOTE 9 - GRANTS

	2002	**2003**
Agricultural Sustainability Program	1,193	**3,245**
Ducks Unlimited	32,271	**14,710**
Fisheries Enhancement Grant	21,365	**14,370**
Manitoba Hydro	2,756	**2,000**
Province of Manitoba – Rural Development	197,980	**202,422**
Province of Manitoba – Water Services Board	944	**552**
Rural Water Development Program	18,505	**26,597**
Sustainable Development Innovations Fund	15,200	**-**
	290,214	**263,896**

NOTE 10 - MUNICIPAL LEVIES

	2002	**2003**
R.M. of Albert	6,565	**10,023**
R.M. of Cameron	9,070	**15,514**
R.M. of Edward	7,155	**10,796**
R.M. of Pipestone	11,900	**16,232**
R.M. of Sifton	6,610	**10,613**
R.M. of Wallace	-	**3,846**
	41,300	**67,024**

NOTE 11 - FUNDS HELD IN TRUST

Funds held in trust and administered by the West Souris River Conservation District are as follows:

	2002	**2003**
Grazing Project	801	**801**

NOTE 12 - COMMITMENTS

The Conservation District has entered into various lease agreements with estimated minimum annual payments as follows:

2004	3,173
2005	2,711
2006	2,711
2007	2,711
2008	2,292
2009	1,146

NOTE 13 - FINANCIAL INSTRUMENT

The Conservation District, as part of its operations, carries a number of financial instruments. It is management's opinion that the conservation district is not exposed to significant interest, currency or credit risks arising from these financial instruments.

NOTE 14 - STATEMENT OF CASH FLOW

The statement of cash flow has not been provided as it would not provide additional meaningful information.

NOTE 15 – INCOME TAXES

The organization is registered as a charitable organization under the *Income Tax Act* (the "*Act*") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the *Act*, the West Souris River Conservation District must meet certain requirements within the *Act*. In the opinion of management, these requirements have been met.

NOTE 16 – COMPARATIVE FIGURES

Certain of the current year figures are not comparable with the 2002 comparative figures as the District has adopted the Province of Manitoba's guidelines to classify salaries and costs related to the projects as the District deems appropriate.

WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 1

SCHEDULE OF EXPENSES - SUB-DISTRICT PROGRAMS
YEAR ENDED MARCH 31, 2003

	2003								2002
	Plum Creek	Stoney Creek	Jackson Creek	Gainsborough/ S. Antler	N. Pipestone/ Sifton	Central Souris River	Elgin Creek	Total	
Soil projects	13,131	12,749	12,931	10,723	10,489	13,793	12,269	86,085	15,427
Urban Tree projects	296	-	-	-	-	-	-	296	8,332
Water projects	31,812	17,415	12,788	17,580	11,213	15,913	11,171	117,892	96,234
Wildlife projects	5,486	13,209	6,126	5,126	11,045	6,076	5,126	52,194	42,269
Grazing projects	-	500	500	500	-	-	-	1,500	1,633
Education projects	-	-	-	-	-	-	-	-	3,071
	50,725	43,873	32,345	33,929	32,747	35,782	28,566	257,967	166,966

WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 2

SCHEDULE OF COST SHARING
MARCH 31, 2003

	Total Expenditures	External	Provincial	Local
PROGRAM MANAGEMENT				
General	64,602	10,919	17,677	36,006
WATER PROGRAMS	117,892	49,983	50,932	16,977
WILDLIFE	52,193	18,300	25,420	8,473
SOILS	131,753	18,161	48,907	64,685
PUBLIC EDUCATION	82,219	26,835	41,538	13,846
TOTAL	448,659	124,198	184,474	139,987
ASSETS				
Office equipment/furnishings	3,706	-	2,779	927
Project support equipment	11,238	3,000	6,178	2,060
Office building	11,988	-	8,991	2,997
	475,591	127,198	202,422	145,971

WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 3

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
MARCH 31, 2003

PROVINCIAL GRANT, 2002 - 2003	200,000
LESS, 2001 - 2002 Provincial Grant Receivable	1,265
	198,735
LESS, 2001 - 2002 Allocated Grant (Schedule 2)	202,422
PROVINCIAL GRANT RECEIVABLE, 2002 - 2003	3,687

WHITEMUD WATERSHED CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2003

MNP
MEYERS NORRIS PENNY LLP

The Members of the Board
Whitemud Watershed Conservation District

AUDITORS' REPORT

We have audited the balance sheet of Whitemud Watershed Conservation District as at March 31, 2003 and the statements of operations and surplus for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP
Chartered Accountants

Brandon, Manitoba
April 29, 2003

an independent member of
BAKER TILLY
INTERNATIONAL

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
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1-800-446-0890 PH. (204) 727-0661 FAX (204) 726-1543 www.mnp.ca

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 1

BALANCE SHEET
MARCH 31, 2003

	2002	2003
ASSETS		
CURRENT		
Cash	281,926	550,211
Accounts receivable	800,000	641,208
Inventory	50,574	54,424
Prepaid expenses	2,395	4,144
	1,134,895	1,249,987
CAPITAL ASSETS (Note 3)	147,297	152,775
	1,282,192	1,402,762
LIABILITIES AND SURPLUS		
CURRENT		
Accounts payable	3,937	22,443
Unearned outside funding	16,028	37,487
Unearned municipal levies	-	50
	19,965	59,980
WATERSHED PROGRAMS SURPLUS		
Sub-district program	50,188	104,200
General board program	27,718	24,311
Equipment program	164,169	177,599
Inventory program	23,097	20,917
PR/PTH crossing reserve	626,545	600,603
CMRM Ltd. in trust	30,887	31,700
Emergency reserve	30,000	30,000
Sick leave reserve	22,881	23,117
Infrastructure program	285,432	328,990
U-Count reserve	1,310	1,345
	1,262,227	1,342,782
	1,282,192	1,402,762

ON BEHALF OF THE BOARD:

R C Rodgers .... DIRECTOR

Danny Post .... DIRECTOR

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 2

STATEMENT OF OPERATIONS AND SURPLUS
SUB-DISTRICT PROGRAM
YEAR ENDED MARCH 31, 2003

	Willowbend Creek #35	Westbourne Drain #36	Squirrel Creek #37	Pine Creek #38
REVENUE				
Municipal levies	31,017	30,731	23,265	34,006
Province of Manitoba	55,171	50,088	35,327	29,081
Flood assistance	-	-	34,583	-
	86,188	80,819	93,175	63,087
EXPENDITURES				
Channel maintenance				
Silt removal	17,154	14,008	7,058	2,802
Vegetation control	35,471	26,127	14,288	20,247
Miscellaneous	310	-	3,722	6,832
Crossings				
Repairs	6,927	3,816	2,720	4,917
Replacements	6,102	16,424	4,241	-
Water storage				
Maintenance	10,000	10,000	-	53
Water storage projects	-	-	3,980	-
Goods and services tax	1,730	1,522	1,951	527
Flood repairs	-	-	37,311	-
Superintendent's salary and expenses	5,867	4,887	6,414	3,398
Infrastructure reserve	-	8,000	3,750	6,667
	83,561	84,784	85,435	45,443
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	2,627	(3,965)	7,740	17,644
SURPLUS, BEGINNING OF YEAR	720	10,342	12,222	315
SURPLUS, END OF YEAR	3,347	6,377	19,962	17,959

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 3

STATEMENT OF OPERATIONS AND SURPLUS
SUB-DISTRICT PROGRAM (CONTINUED)
YEAR ENDED MARCH 31, 2003

	Central Whitemud #39	Upper Whitemud #40	Big Grass Marsh #42	Big Grass River #43
REVENUE				
Municipal levies	25,501	11,938	40,202	60,971
Province of Manitoba	50,651	34,606	71,392	103,006
Grants	1,200	1,755	-	94
Flood assistance	5,460	1,082	-	-
	82,812	49,381	111,594	164,071
EXPENDITURES				
Channel maintenance				
Grassed waterways	8,022	13,590	-	-
Silt removal	2,723	-	28,228	45,722
Vegetation control	42,059	19,259	23,071	18,958
Miscellaneous	283	5,240	1,114	2,789
Crossings				
Repairs	4,646	2,759	11,209	19,174
Replacements	3,354	-	18,912	36,641
Water storage				
Maintenance	-	-	119	-
Goods and services tax	1,578	961	1,965	2,515
Flood repairs	3,827	-	-	-
Superintendent's salary and expenses	6,502	5,416	10,572	11,542
Infrastructure reserve	2,825	2,825	5,825	13,667
	75,819	50,050	101,015	151,008
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	6,993	(669)	10,579	13,063
SURPLUS, BEGINNING OF YEAR	(2,748)	6,066	17,758	5,513
SURPLUS, END OF YEAR	4,245	5,397	28,337	18,576

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 4

STATEMENT OF OPERATIONS AND SURPLUS
SUB-DISTRICT PROGRAM (CONTINUED)
YEAR ENDED MARCH 31, 2003

	2002	2003
REVENUE		
Municipal levies	199,289	257,631
Province of Manitoba	411,761	429,322
Grants	6,096	3,049
Flood assistance	64,472	41,125
SCIF revenue	74,999	-
	756,617	731,127
EXPENDITURES		
Channel maintenance		
Grassed waterways	52,650	21,612
Silt removal	166,956	117,695
Vegetation control	195,128	199,480
Miscellaneous	9,637	20,290
Crossings		
Repairs	46,241	56,168
Replacements	(28,033)	85,674
Special crossing infrastructure fund	99,999	-
Water storage		
Projects	2,340	-
Maintenance	-	20,172
Water storage projects	-	3,980
Goods and services tax	14,853	12,749
Flood repairs	94,433	41,138
Superintendent's salary and expenses	55,485	54,598
Property tax adjustments and interest	3,795	-
Infrastructure reserve	135,433	43,559
	848,917	677,115
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(92,300)	54,012
SURPLUS, BEGINNING OF YEAR	142,488	50,188
SURPLUS, END OF YEAR	50,188	104,200

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 5

STATEMENT OF OPERATIONS AND SURPLUS
GENERAL BOARD PROGRAM
YEAR ENDED MARCH 31, 2003

	2002	2003
REVENUE		
Province of Manitoba	257,983	**253,566**
Municipal levy	40,000	**40,000**
Interest earned	26,195	**14,538**
Co-op equity	88	**269**
Miscellaneous	11	**-**
Individual contributions	2,373	**2,490**
Special project funding	60,476	**31,941**
Federal/provincial grants	2,127	**44,309**
Forage program - landowner share	50,939	**35,495**
Transfer from equipment program	390	**739**
Transfer from Rosedale Farm program	7,313	**17,198**
	447,895	**440,545**
EXPENDITURES		
Administration		
Manager's salary	42,091	**44,535**
Manager's expenses	5,782	**7,362**
Secretary - treasurer and secretary salaries	28,524	**35,856**
Professional fees	1,900	**2,085**
Rent	18,772	**20,072**
Office supplies	20,161	**16,469**
Insurance	1,157	**1,647**
Amortization	5,520	**5,966**
Goods and services tax	3,045	**3,098**
	126,952	**137,090**
Specific programs		
Conservation corridors	2,608	**404**
Forage crops	67,919	**47,327**
Riparian	13,270	**6,800**
Shelterbelts	11,264	**22,786**
Shelterbelt weed control	32,415	**11,421**
Summer students	12,724	**12,208**
Wildlands	12,327	**8,740**
Public education	22,134	**32,930**
Soils tech salary and expenses	40,788	**43,224**
Special project funding	51,591	**67,155**
Board members remuneration and expenses	44,068	**44,351**
Small tools	2,030	**1,278**
Drainage pilot project	11,222	**8,238**
	324,360	**306,862**
	451,312	**443,952**
EXCESS OF EXPENDITURES OVER REVENUE	3,417	**3,407**
SURPLUS, BEGINNING OF YEAR	31,135	**27,718**
SURPLUS, END OF YEAR	27,718	**24,311**

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 6

STATEMENT OF OPERATIONS AND SURPLUS
EQUIPMENT PROGRAM
YEAR ENDED MARCH 31, 2003

	2002	2003
REVENUE		
Rentals	82,938	69,971
Gain on disposal of equipment	600	6,000
	83,538	75,971
EXPENDITURES		
Fuel and oil	16,489	15,490
Repairs and maintenance	16,987	12,631
Insurance and licences	3,662	4,752
Amortization	25,512	25,353
Salaries	2,723	2,804
Goods and services tax	891	772
Transfer to general board program	390	739
	66,654	62,541
EXCESS OF REVENUE OVER EXPENDITURES	16,884	13,430
SURPLUS, BEGINNING OF YEAR	147,285	164,169
SURPLUS, END OF YEAR	164,169	177,599

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 7

STATEMENT OF OPERATIONS AND SURPLUS
INVENTORY PROGRAM
YEAR ENDED MARCH 31, 2003

	2002	2003
REVENUE		
Sales	28,223	17,982
COST OF SALES		
Inventory, beginning of year	48,748	50,574
Purchases	25,900	18,863
	74,648	69,437
Inventory, end of year	50,574	54,424
	24,074	15,013
GROSS PROFIT	4,149	2,969
EXPENDITURES		
Amortization	161	161
Insurance	261	342
Goods and services tax	47	22
Salaries	2,292	3,639
Yard maintenance	2,084	985
	4,845	5,149
EXCESS OF EXPENDITURES OVER REVENUE	696	2,180
SURPLUS, BEGINNING OF YEAR	23,793	23,097
SURPLUS, END OF YEAR	23,097	20,917

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 8

STATEMENT OF OPERATIONS AND SURPLUS
ROSEDALE FARM PROGRAM
YEAR ENDED MARCH 31, 2003

	2002	2003
REVENUE		
Forage sales	16,328	**30,264**
Crop share	3,267	**826**
Patronage	318	**3**
	19,913	**31,093**
EXPENDITURES		
Fertilizer and rotovating	5,472	**7,144**
Miscellaneous	248	**-**
Harvesting	7,408	**6,751**
Transfer to general board program	7,313	**17,198**
	20,441	**31,093**
EXCESS OF EXPENDITURES OVER REVENUE	528	**-**
SURPLUS, BEGINNING OF YEAR	528	**-**
SURPLUS, END OF YEAR	-	**-**

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 9

STATEMENT OF OPERATIONS AND SURPLUS
PR/PTH CROSSING PROGRAM
YEAR ENDED MARCH 31, 2003

	2002	2003
REVENUE		
Intergovernmental Affairs grant	200,000	-
Interest earned	30,470	15,766
	230,470	15,766
EXPENDITURES		
Sub-district program #42	34,743	25,682
Sub-district program #43	39,670	16,026
	74,413	41,708
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	156,057	(25,942)
SURPLUS, BEGINNING OF YEAR	470,488	626,545
SURPLUS, END OF YEAR	626,545	600,603

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 10

STATEMENT OF OPERATIONS AND SURPLUS
CMRM LTD. IN TRUST
YEAR ENDED MARCH 31, 2003

	2002	**2003**
REVENUE		
Special project funding	887	**813**
SURPLUS, BEGINNING OF YEAR	30,000	**30,887**
SURPLUS, END OF YEAR	30,887	**31,700**

1. OPERATIONS

Whitemud Watershed Conservation District was established by an Order-in-Council of the Province of Manitoba on March 22, 1972. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

INVENTORY

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is provided using the following method and rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows:

	Method	Rate
Building	straight line	5%
Fence	straight line	5%
Equipment	straight line	15%

MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Amortization is based on the estimated useful lives of capital assets. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

WHITEMUD WATERSHED CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2003

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3. CAPITAL ASSETS

	2002	2003		
	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	1,835	1,835	-	1,835
Building	7,716	27,644	20,570	7,074
Fence	-	5,339	5,339	-
Equipment	137,746	423,446	279,580	143,866
	147,297	458,264	305,489	152,775

4. LEASE COMMITMENT

The District occupies leased premises subject to a minimum annual rental of $20,674 until 2004.

5. SICK LEAVE RESERVE

The reserve has been established to recognize the accrual of sick leave of the employees. The employees accrue sick leave at the rate of one and one-quarter days per month employed. At March 31, 2003, the aggregate amount of possible claims was $86,444.

6. STATEMENT OF CASH FLOWS

The statement of cash flows has not been provided since it would not provide any additional information.

WHITEMUD WATERSHED CONSERVATION DISTRICT
SCHEDULE OF COST-SHARING
FOR THE YEAR ENDED MARCH 31, 2003

	Total		District		
	Expenditures	Provincial	Levies	Other	External
ADMINISTRATION					
Program Support/Planning	57,475	43,106	-	14,369	-
Office Operation	49,336	35,015	-	14,321	-
	106,811	78,121	-	28,690	-
ASSETS					
Infrastructure Reserve Account (75/25)	-	-	-	-	-
Infrastructure Reserve Account (0/100)	43,558	-	43,558	-	-
Office Equipment	3,202	2,402	-	800	-
	46,760	2,402	43,558	800	-
PUBLIC EDUCATION					
Public Education	97,229	71,306	23,769	-	2,154
	97,229	71,306	23,769	-	2,154
SOILS					
Forage Assistance	47,327	11,832	-	35,495	-
Shelterbelt/Gully Stabilization/Soils Demo	45,013	33,760	-	11,253	-
Riparian	6,800	2,550	-	850	3,400
	99,140	48,142	-	47,598	3,400
WILDLIFE/FISHERIES					
Wildlife Preservation/Treeplanting/Demo	15,224	11,418	2,172	1,634	-
Conservation Corridors	404	303	101	-	-
Fisheries Enhancement Initiative	28,541	-	-	-	28,541
	44,169	11,721	2,273	1,634	28,541
WATER					
Maintenance	431,644	322,602	107,534	-	1,508
New Projects/Reconstruction	3,980	2,985	995	-	-
Surface Water Irrigation Initiative	58,614	-	20,000	-	38,614
Drainage Pilot Project	8,237	6,178	2,059	-	-
	502,475	331,765	130,588	-	40,122
CROSSINGS					
Repairs	73,382	54,713	18,238	-	431
Replacements	96,688	72,355	24,118	-	215
PR/PTH Replacements	41,708	-	-	-	41,708
	211,778	127,068	42,356	-	42,354
OTHER					
Big Grass Marsh Management Plan	-	-	-	-	-
GST / Tax Adj & Int	12,751	9,563	3,188	-	-
ROW Purchase Jenson Drain	3,723	2,792	931	-	-
CMRM Ltd.	-	-	-	-	-
Flood Expenses	41,138	8	3	-	41,127
	57,612	12,363	4,122	-	41,127
TOTAL	**1,165,974**	**682,888**	**246,666**	**78,722**	**157,698**
		59%	**21%**	**7%**	**14%**

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/PAYABLE

LESS, 2001-2002 Provincial Grant Receivable	**236**
PROVINCIAL GRANT, 2002-2003	**670,000**
	669,764
LESS, 2002-2003 Allocated Grant	**682,888**
PROVINCIAL GRANT REMAINING/OVERSPENT	**(13,124)**

2002 MUNICIPAL LEVY - $297,631